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TODAY: HEALTH SCIENCE A New Climate Culprit, Page 11

PAGE 3

Forest Fires Across Indonesia Blot Out the Sun

Haze Over Region Blamed in 2 Deaths

Reuters

JAMBI, Indonesia — Night comes early to Jambi these days as thick smog from fires on Sumatra island blanks out the sun over the town.

By midafternoon Wednesday, the sky was as dark as late dusk. Some shops remained closed, and people walked the streets with white surgical masks to protect themselves from the choking haze.

The airport buildings were empty, with only two commercial helicopters parked on the tarmac. The runway was invisible through the haze and was not open to flights.

The fires that have caused health alarms in Singapore, Malaysia, Brunei, southern Thailand and the southern Philippines were clearly visible on the 300-kilometer (190-mile) drive to Jambi, capital of the province of the same name, from the capital of Sumatera Selatan Province, Palembang, where the haze Wednesday was lighter.

In places, the road was lined with the burned skeletons of trees. Elsewhere, flames from several big fires leaped into the air, jumping through trees and brush dried out by the drought that has hit the Indonesian archipelago.

The official death toll from the fires throughout the region is two, while schools and factories have been forced to close and the U.S. Embassy has advised employees to leave Malaysia if the smog makes them sick. (Page 6.)

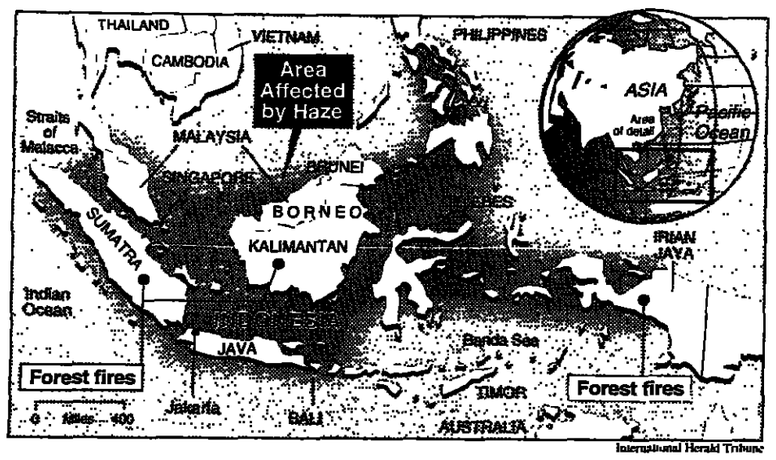
More than 32,000 people on Sumatra and Borneo islands have suffered respiratory problems, and doctors have reported numerous eye infections.

The worst fires so far have been reported in eastern and southern Sumatra, Kalimantan on Borneo island and in the remote province of Irian Jaya on New Guinea island.

Many of the fires have been attributed to forestry and plantation companies and small farmers using slash-and-burn techniques to clear the land ahead of the monsoon rains — which are badly delayed this year by the El Nino weather phenomenon in the Pacific Ocean.

See HAZE, Page 6

Reuters



International Herald Tribune

Streetlights barely illuminating Kuching, the capital of Sarawak state on Borneo, on Wednesday night as haze from forest fires in Indonesia settled across the region. Two deaths have been attributed to the fires, with schools and factories closed. Farmers are accused of starting the blazes, while a delay in the monsoon rains lets them burn on.

Algerian Guerrillas Call for Cease-Fire

Islamic Salvation Front Wing Says 'Combat' Will End Oct. 1

By Roger Cohen
New York Times Service

PARIS — The military wing of the Islamic Salvation Front called Wednesday for a truce in Algeria's civil war to begin in one week, instructing its followers to lay down their arms for the first time since the fighting began six years ago.

A statement issued by Madani Mezerag, the commander of the Islamic Salvation Army, ordered all his guerrilla forces "to stop combat operations as of October 1, 1997." In the labyrinth of the Algerian conflict, which has already taken tens of thousands of lives, the call amounted to a desperate gamble that a path to peace exists.

But it was by no means clear that the call would stop, or even reduce, the bloodshed. The power of the Islamic Salvation Front has fallen since its sweeping victory in the first round of parliamentary elections in 1991 led the army to cancel a second ballot, ushering in a desperate civil war. Several Islamic guerrilla movements, including the hard-line Armed Islamic Group, operate beyond the party's control.

The military-backed government of President Liamine Zeroual, a retired general, did not immediately respond to the call for a truce. But state television, which almost always ignores any statements by the banned Islamic Salvation Front or its allies, showed the statement and summarized its contents.

El Moudjahid, a daily that is close to the army, described the appeal as "a wise position, even if late in coming, which risks being altered or short-circuited by those who do not want Algeria to mend its wounds and find peace."

This commentary, and the extraordinary fact that both television and radio covered the statement in some detail, suggested that Mr. Zeroual was broadly favorable to the call for an open-ended truce and that the government was well aware that such an initiative was about to be taken.

The statement by Mr. Mezerag urged all those "caring for the interests of religion and of the nation to rally to this appeal" with the aim of "exposing the enemy hiding behind the horrible massacres and isolate the criminal remnants of perverse extremists of the Armed Islamic Group."

Such a direct appeal from the military wing of the party whose popularity led to a military backlash was a radically new departure, a push to change the balance of diplomatic forces surrounding the conflict. The war has left many of Algeria's 28 million citizens feeling that they have become hostages to the symbiotic dark forces of Islamic extremism and military oppression.

See ALGERIA, Page 6

The Associated Press

A survivor of the attack Tuesday near Algiers in which 200 died.

Yeltsin Talks Of State Role In Economy

Rampant Capitalism Is Finished, He Says

By Daniel Williams
Washington Post Service

MOSCOW — President Boris Yeltsin declared victory over the past on Wednesday.

"A return to the past is no longer possible," he said in a keynote address to the Federation Council, Russia's upper house of Parliament. "It is clear that a free economy has firmly established itself in Russia."

"The question is," the Russian president added, "to what state and what society will the free economy lead us. This is one of the most difficult questions."

And he provided part of the answer, suggesting that the era of laissez-faire capitalism, a battering ram in ending Communist rule, was at an end.

"From the policy of noninterference," Mr. Yeltsin said, "we are resolutely going over to a policy of preemptive regulation of economic processes, control over vitally important sectors and efficient spending of budget money."

With his speech, Mr. Yeltsin laid down outlines for a shift to a settled, governable Russia from the shattered one that he helped bring into being five years ago. Reform must take second place to performance, he asserted.

"I would like to remind all structures of government once again that global reform should not overshadow ordinary day-to-day concerns like taking in the harvest, paying wages and pensions on time, preparing for winter and so on," he said. In the final analysis, he added, political and social stability in the country depends on the solution of everyday problems.

Verbally, at least, it was a new Mr. Yeltsin. In his first months and years in office, he established an electoral democracy, freed prices, sold off state enterprises at low bids, left businesses to sink or swim on their own, invited regional leaders to "grab" as much sovereignty as they wanted, permitted Russia's vast military-industrial complex to whither, lost control of tax collection, let corruption flourish, was unable to pay government wages on time and largely turned his back on social wel-

See RUSSIA, Page 6

Conviction of 2 Nurses Stirs British-Saudi Crisis

By Youssef M. Ibrahim
New York Times Service

LONDON — A possibility that a British nurse could face beheading in a murder case in Saudi Arabia and the sentencing of a second British nurse to prison and 500 lashes touched off a serious diplomatic crisis between Saudi Arabia and Britain on Wednesday.

The case brought into the open fundamental differences between Islamic and Western societies and has aroused nationalist sentiments in Britain.

In addition, it has landed the Labour government of Prime Minister Tony Blair its first diplomatic dispute since it came to power in May.

The two nurses, who are charged with murdering and robbing an Australian colleague in December, were rebuffed Tuesday on their appeal to a higher religious court.

Saudi officials and lawyers for the nurses confirmed that one nurse, Deborah Parry, 38, had been sentenced to death for the murder of Yvonne Gilford, 55.

A second nurse, Lucille McLauchlan, 31, charged as her accomplice in the case, was sentenced to eight years in prison as well as 500 lashes.

Both nurses have yet to exhaust all appeals, Saudi officials said. But in a defiant mood fed by criticism of the Saudi justice system, several senior Saudis said in interviews Wednesday that the sentences would be carried out if confirmed.

The case was further confused Wednesday when a Saudi lawyer for the nurses, Salah Hegeilan, said the victim's brother had signed a $1.2 million agreement to drop a demand for a death sentence.

Under Islamic law, if relatives of the victim are willing to relent on demanding a death sentence, and instead accept financial compensation, the death sentence is rescinded.

The lawyer was quoted by news agencies as saying that an agreement with the victim's brother, Frank Gilford, "was signed one week ago — $500,000 for an Australian children hospital and the rest for him."

But lawyers for Mr. Gilford, who lives in Jamestown, 120 miles north of Adelaide, denied the

See NURSES, Page 6

France Backs a U.S. Call To Keep NATO in Bosnia

By Brian Knowlton
International Herald Tribune

WASHINGTON — Western officials appeared Wednesday to be laying the groundwork for prolonging the U.S. role in the effort to bring stability to Bosnia-Herzegovina.

A top French official seconded a call by President Bill Clinton's national security adviser that NATO maintain a presence in Bosnia after the scheduled withdrawal of U.S. troops in June 1998.

Foreign Minister Hubert Vedrine, speaking at the United Nations, said that the nations in the peacekeeping force "should be preparing themselves for some sort of follow-up," involving a contingent smaller than the current 31,000 soldiers.

His comments came after Samuel Berger, the national security adviser, said in a speech that the United States and the NATO allies should prepare for an extended stay in Bosnia, but did not specifically call for American troops to remain beyond their pullout date.

"Peace is beginning to take root," Mr. Berger said at Georgetown University on Tuesday night. "The gains are not irreversible, and locking them in will require that the international community stay engaged in Bosnia in some fashion for a good while to come."

Administration officials made it clear Wednesday that Mr. Berger was not setting new policy. Many in Congress would oppose such a change.

Michael McCurry, the White House spokesman, said: "He has not shifted the ground on the president's determination to meet the timetable" for withdrawing troops by June 30.

But Mr. Berger emphasized that the U.S. commitment to peace and stability in Bosnia would not end on July 1.

Other administration officials, including Defense Secretary William Cohen, endorsed Mr. Berger's comments. Mr. Cohen said "the international community has a long-term interest" in

See BOSNIA, Page 6

Yun Jai Hyoung/The Associated Press

Kim Dae Jung, 71, going on 55, is leading in all polls in South Korea.

Poised to Win in Seoul

Longtime Opposition Leader Is Front-Runner

By Nicholas D. Kristof
New York Times Service

SEOUL — It was on the grounds of the sprawling presidential mansion here that government officials hatched successive plans for eliminating their enemy, first by killing him in a car accident, then by drowning him in the ocean and finally by having him executed by hanging.

But the presidential staff in those days was more persistent than efficient, and none of these plans worked. And so the next occupant of the presidential mansion may be that onetime enemy, Kim Dae Jung.

Mr. Kim, who would presumably bring a new staff of aides to the mansion, has been an opposition leader in South Korea so long that it is difficult to conceive of him as president.

He is still lame from the first attempt to assassinate him, when a truck crashed into his car and killed his driver; but if the polls are right, Mr. Kim may soon be able to limp up the great central stairs of the presidential mansion and claim it as his own.

A somber man with a thickening middle but a full head of jet black hair, a fiery orator one moment and a patient statesman the next, Mr. Kim is consistently leading in all the opinion polls for the presidential election in December. To everyone's surprise — except his own — he is widely regarded as enjoying by far his best chance ever of leading the country.

A victory by Mr. Kim would be a landmark for South Korea and East Asia as a whole, marking the first time

See KIM, Page 6

$9.5 Billion Deal Creates Finance Giant

By Mitchell Martin
International Herald Tribune

NEW YORK — Extending a wave of consolidations on Wall Street, Travelers Group Inc. said Wednesday it would acquire the bond-trading powerhouse Salomon Brothers Inc. for about $9.5 billion in stock.

Salomon, whose strengths are in institutional finance and trading strategies that risk its own cash, would be merged with Travelers' more staid Smith Barney Holdings Inc. brokerage house to form Salomon Smith Barney Holdings Inc.

The companies said the combined concern would be the third-largest underwriter of stock issues and the second-largest underwriter of U.S. bonds, based on 1996 data. But the deal is more notable for the way it links each company's strong points than for the absolute size of the resulting operations.

There has been a wave of consolidation in the American financial-services industry this year. One recent amalgamation was the takeover of Morgan Stanley Inc., which like Salomon had a strong international institutional business, by Dean Witter, Discover & Co., which like Smith Barney, had significant retail operations.

That deal followed shortly after Salomon itself forged an alliance with the mutual-fund sponsor and discount brokerage Fidelity Investments as a way to get the stocks and bonds it underwrites directly to individual investors.

Travelers has been built up from the financial-services divisions of what had been American Can by its chairman, Sanford Weill. Many of Salomon's operations are complementary to those of Smith Barney, especially its international institutional finance and bond-trading capabilities, according to Perrin Long, an independent securities-industry analyst in Darien, Connecticut. He said the deal was "a good fit for Travelers and particularly for Salomon Brothers."

Most of the major credit-rating agencies agreed, saying that they might upgrade Salomon's credit to reflect the acquisition. Salomon's bonds are considered investment grade, but in the lowest categories, while Travelers' obligations are more highly regarded, carrying double-A ratings. Because Travelers is paying for Salomon with its own stock, it will not have to borrow money for the takeover.

Mr. Weill's style is more conserva-

See DEAL, Page 6

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Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$30.00

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AGENDA

The Dollar

New York	Wednesday @ 4 P.M.	previous close
DM	1.7728	1.7936
Pound	1.6138	1.614
Yen	120.37	121.505
FF	5.951	6.0286

The Dow

	Wednesday close	previous close
-63.35	7906.71	7970.06

S&P 500

change	Wednesday @ 4 P.M.	previous close
-7.45	944.48	951.93

Books ..... Page 5.
Crossword ..... Page 10.
Opinion ..... Pages 8-9.
Sports ..... Pages 20-21.

The IHT on-line www.iht.com

Homes Promised To West Bank Jews

EFRAT, West Bank (Reuters) — Prime Minister Benjamin Netanyahu vowed Wednesday to sink Israeli roots deeper into the West Bank, defying a U.S. appeal for a "time-out" in the expansion of Jewish settlements.

He promised Jewish religious teenagers in Efrat that his government would build 300 more homes in their West Bank settlement and others throughout lands that Israel has occupied since 1967.

"We are building in Judea and Samaria," Mr. Netanyahu told the hundreds of youngsters, using the biblical names for the West Bank. "And we are building in Efrat."

Behemoths That Bump / **Sport Utility Dangers**

Light Trucks: Mayhem on Wheels

By Keith Bradsher
New York Times Service

DETROIT — Albert and Marianne Hassan were driving their Chrysler Concorde through Merrick, New York, last spring to pick up their 3-week-old son when a Chevrolet Suburban, one of the largest family vehicles built in the United States, slammed into their car at an intersection. The Suburban's high front end pushed in the driver's side door, hitting Mr. Hassan in the chest. He died quickly of internal bleeding.

The 5,000-pound (2,250 kilogram) sport utility vehicle shoved the 3,300-pound car, a midsize family sedan, sideways for 50 feet (15 meters) until the other side of the car was crushed against a tree, blinding and critically injuring Mrs. Hassan. The driver of the Suburban was not injured.

Crashes like this one — in which the police accident investigator said the Suburban's weight and high front end essentially killed Mr. Hassan and worsened Mrs. Hassan's injuries — are becoming more common. The number of collisions between a car and a light truck — a sport utility vehicle, pickup truck or minivan — has been rising steadily. While they still make up a minority of two-vehicle crashes, these accidents now account for the majority of deaths in such crashes, and 80 percent of these deaths are in the cars.

The problem has alarmed a few safety researchers and some insurers.

"It's something we need to work on desperately quickly," said C. Adrian Hobbs, the secretary of a new, mostly European panel studying collisions between vehicles of different sizes. "If nothing's done, people are going to continue to be killed unnecessarily."

Yet little has been done, either in Washington or Detroit:

• Seven years after the introduction of the Ford Explorer set off a surge in sales of sport utility vehicles, federal regulators have not performed a crash test to determine what happens when those vehicles and pickups of similar design hit a car. Such tests could be a first step toward requiring automakers to make light trucks less dangerous to other vehicles.

• Most of the federal money designated to study crashes between different sizes of vehicles has been spent instead on air-bag safety studies in each of the last two fiscal years. This was because of an outcry over reports that 82 children and short adults have been killed by the devices. Yet federal accident statistics show that collisions between light trucks and cars now kill that many people in cars each week.

• Automakers in the United States have paid little attention to the problem. Engineers at the automakers say they work mainly on protecting the occupants of the vehicles they design and have no formal procedures for calculating and reducing the risk to occupants of other vehicles.

• The automakers play down the risk to people in cars posed by much heavier pickups and sport utility vehicles. Yet in fighting federal regulations intended to make new cars more fuel efficient, they have warned against building lightweight cars because they would be much more dangerous in crashes with vehicles already on the road.

• American car makers have largely ignored how the design of a vehicle may affect other vehicles in a crash, contending that it is weight difference, not design, that determines who lives and who dies in crashes. Yet research in Britain has found — and the top safety official for the American auto manufacturers' trade group agrees — that sport utility vehicles and pickups are particularly deadly when they hit a car in the side because they ride higher off the ground and are more likely to strike the occupant of the car in the head and chest.

Crashes with light trucks, particularly pickups and sport utility vehicles, are especially deadly for people riding in the small, fuel-efficient cars that have been produced over the last quarter-century in an attempt to reduce gasoline consumption and pollution. And pickups and sport utility vehicles pose an even bigger threat for the extremely fuel-efficient, 2,000-pound family cars that automakers say they will build early in the next century.

Highway safety groups have also largely ignored the issue, focusing on air bags, fuel-tank safety and other concerns. Indeed, safety experts and automakers in Europe, where there are many small cars, have been doing more about the dangers of light trucks than their American counterparts, even though sport utility vehicles and pickups are less common.

The German equivalent of the American Automobile Association performed a crash test in 1993 that involved a nearly head-on collision at 31 miles an hour between a 2,400-pound Volkswagen Golf and a 4,800-pound Nissan sport utility vehicle. The Nissan rode up over the Volkswagen's hood nearly to the base of the Golf's windshield; the crash dummy in the Golf suffered head injuries that measured 3,177 on a scale for which readings above 1,000 are considered fatal.

Partly in response to that test, Mercedes-Benz has designed its new sport utility vehicle to reduce the damage to cars.

But it is the Big Three American car makers — General Motors, Ford and Chrysler — that make 86 percent of the nation's light trucks and all of the biggest sport utility vehicles. Those vehicles are their most profitable models; Ford earns as much as $14,000 on each of its biggest sport utility vehicles, the 5,200-pound Expedition and the similar 5,600-pound Lincoln Navigator. In fact, the Big Three earn their entire profit on light truck sales, barely breaking even on cars.

OF COURSE, sport utility vehicles and pickups do not cause accidents; people do, when they drink, speed or otherwise show poor judgment. Executives at Detroit automakers are quick to point this out. They also note that light trucks are a lot smaller than some other vehicles on the road, like tractor-trailers.

"Even if you're driving a tank down the road, you could always get hit by a locomotive," said Robert Purcell, GM's director of advanced technology.

The automakers contend buyers need vehicles that ride high so they can drive off paved roads. In fact, few buyers use light trucks this way. According to an internal memorandum, the Big Three found in a joint 1995 study that only 13 percent of sport utility vehicles were driven off-road, 18 percent of pickups were and no minivans.

Most of all, auto executives say they are simply building the vehicles that Americans want. And the sales figures bear them out. Nearly 7 million vehicles or 44 percent of all autos sold last year were light trucks, compared with 16 percent in 1971. The fastest-growing sales are for the biggest light trucks; almost 3 million of those sold last year weighed more than 4,000 pounds. Sales of the biggest sport utility vehicles have quintupled in six years, while the overall auto market has grown only 23 percent.

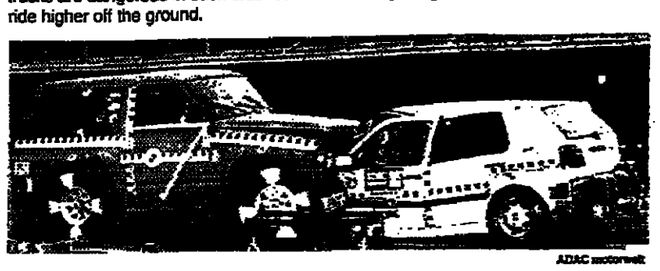
Just as it is hard to prove that any one victim of lung cancer acquired it through smoking, it is hard to prove in any specific crash that the people in the car would have fared better if hit by another car instead of a light truck. And just as the main evidence for the harm of cigarettes lies in studies of thousands of smokers, the best evidence for the problems created by light trucks lies in statistics on thousands of crashes.

More Americans (5,447 last year) now die in crashes involving a car and a light truck than in crashes involving two cars (4,193), federal statistics indicate. That is the case even though there are twice as many cars as light trucks on the road and even though car-to-car collisions remain more common than car-to-light-truck collisions.

One big insurer, Progressive Corp., in Cleveland, has already raised liability premiums for sport utility vehicles and large pickup trucks after an analysis determined that medical bills for people hit by these vehicles were unusually high. Other insurers are considering similar moves.

Consequences of a Collision

Collisions involving a car and a light truck like a sport utility vehicle still make up a minority of two-vehicle crashes but now account for the majority of deaths in those crashes, and 80 percent of these deaths are in the cars. Some researchers say light trucks are dangerous in such crashes because they weigh more and because they ride higher off the ground.



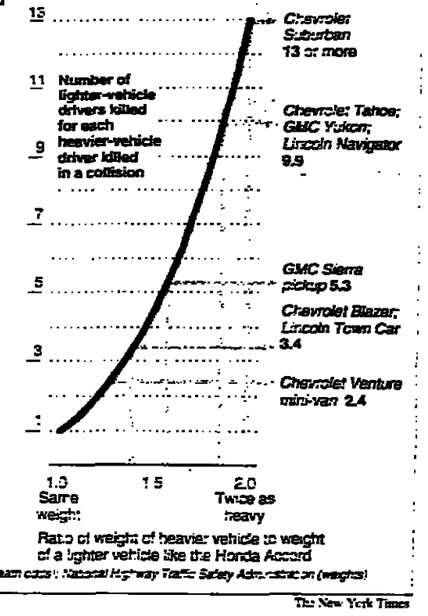
ADAC motorwelt

Germany's equivalent of the American Automobile Association performed a crash test in 1993 that involved a nearly head-on collision at 31 mph between a 2,400-pound Volkswagen Golf and a 4,800-pound Nissan sport utility vehicle. The crash dummy in the Golf suffered head injuries that measured 3,177 on a scale for which readings above 1,000 are considered fatal. Partly in response to that test, Mercedes-Benz has designed its new sport utility vehicle with features to reduce the potential damage it might do to cars in collisions.

The Risk of Being Killed

When a car collides with a vehicle twice its weight, the driver of the car is 13 times as likely to be killed as the driver of the heavier vehicle, according to an analysis by a GM researcher of records for nearly 40,000 deaths in car-to-car crashes. (The company has used such calculations to oppose federal fuel-economy standards that would require lighter cars.)

The chart at right shows how differences in weight affect the risk to drivers. Highlighted are examples of the number of drivers of a 2,900-pound car like a Honda Accord who would be killed for every driver killed in various heavier vehicles in collisions. For example, in a crash between an Accord and a Chevrolet Suburban, the Accord driver would be 13 times as likely to die as the Suburban driver.



Sources: General Motors technical paper (death data); National Highway Traffic Safety Administration (weights)

The New York Times

Russians Vow To Stay on Mir Even if NASA Decides to Quit

Reuters

MOSCOW — Russia will continue to operate the Mir space station in orbit even if the United States decides not to send a replacement astronaut to join the crew this week, a Russian space agency official said Wednesday.

"The two cosmonauts who would remain are fully able to continue the station's work," said Anatoli Tkachev, a spokesman for Moscow's space agency. "The station will keep flying."

The U.S. National Aeronautics and Space Administration built up suspense about its future involvement with Mir, delaying a decision on whether to send David Wolf, a physician astronaut, into orbit at the end of this week to replace Michael Foale.

At Cape Canaveral, Florida, two U.S. safety reviews are likely to find Mir safe, which would clear the way for the launching of a new American to the orbiting outpost, sources familiar with the reports said.

The NASA administrator, Daniel Goldin, was to receive the two independent safety reports late Wednesday before making a decision whether to send Mr. Wolf to Mir on the shuttle Atlantis.

A review led by a former Gemini and Apollo astronaut, Tom Stafford, would not raise any serious concerns about the safety of Mir, a member of the inquiry board said.

A second report, by a retired aerospace executive, A. Thomas Young, is likely to concur with the findings of the Stafford team, he said. "The facts will remain the same."

On board Mir, Mr. Foale and his two Russian colleagues repaired an air filter that removes carbon dioxide from the spacecraft. The filter system had been out of action for two days.

Yuri Skursky, deputy head of the Mission Control analysis group, said the Mir crew continued to carry out repairs Wednesday, adding that the spaceship would be "completely safe" for a new astronaut.

"Things could deviate from normal because of instability in the computer, but we know how to react to them," he added.

On Monday, the aged computer on the spacecraft broke down for the third time this month, sending the craft spinning in orbit, losing the constant orientation on the sun that is needed to charge the batteries of the electrical system.

The crew members succeeded in fixing the problem within a day, but they are awaiting the arrival of the U.S. shuttle to bring up a new and more stable replacement computer.

Mir collided with a resupply ship during a test docking on June 25, forcing the crew to seal off one of the station's punctured modules and causing a cutback in electrical power from the module.

Since then, Mir has performed a shaky high wire act in space, often in dire straits but always recovering from the brink of disaster as its computer and life support systems collapsed repeatedly.

The Atlantis is scheduled to blast off Thursday night from Cape Canaveral and will dock with Mir on Saturday if all goes according to plan.

Correction

Because of an editing error, the web address for Senator John McCain's site on pork barrel-politics was missing a tilde. The correct address is www.senate.gov/~mccain.

DEATH NOTICE

TRAINA, NICHOLAS JOHN STEEL

In San Francisco, September 20, 1997 after a long-time struggle with a lifetime illness and a valiant fight to the end, of an accidental overdose. Son of Danielle Steel Traina and John A Traina, Jr. of San Francisco. Nicholas was 19 years old (1 May 1978). He graduated from Town School and the Woodside International School and for the past 2 1/2 years was the lead singer, lyricist and manager of the rock band, Link '80 which had gained considerable acclaim nationally and internationally, mostly among teenagers. His C.D.'s and video's were being distributed internationally. A month ago he started a new band of his own, "Knowledge". Nick Traina was the bright star of his family and will be greatly missed by all. He is survived by his parents, his eight siblings: Samantha, Victoria, Vanessa, Maxx, Zara, Trevor and Todd Traina and Beatrix Seidenberg.

Friends are invited for Visitation, Tuesday, September 23rd from 5-8 pm at HALSTED N. GRAY-CAREW & ENGLISH, 1123 Sutter St., San Francisco and to attend the Funeral Service on Wednesday, September 24th at 3:30 pm at Grace Cathedral Episcopal Church, 1100 California St., San Francisco, CA. Interment private. Flowers or charity of your choice.

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TRAVEL UPDATE

BA Puts Pressure On Regulators

LONDON (Bloomberg) — British Airways says it will suspend services from Glasgow to New York and Boston because regulators are taking too long to approve its planned alliance with American Airlines.

Turning up the heat on regulators to approve the linkup, British Airways also warned that it might drop other long-haul routes from regional British cities with low demand if the carriers failed to get approval. British Airway's unusually direct appeal called on "regional communities throughout Britain" to support the alliance, saying it could keep unprofitable regional services afloat only with the help of extra U.S. passengers generated by American Airlines.

Lufthansa to Cut Some Short Flights

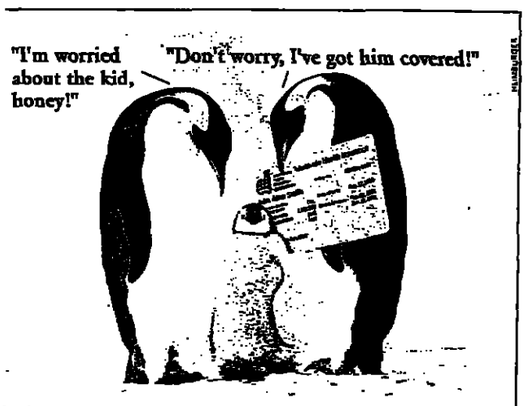
FRANKFURT (AFP) — Lufthansa will discontinue a number of domestic short-haul flights where the airline is losing money because it does not plan to compete with high-speed trains, the company's president, Juergen Weber, said in an interview to be published Thursday.

Flights from Cologne, Stuttgart and Nuremberg to Frankfurt will be stopped as soon as the German railroad company, Deutsche Bahn, has set up high-speed rail links between the three cities and Germany's principal airport, Mr. Weber said.

The European Commission on Wednesday ruled out going back on a decision to scrap duty-free sales within the European Union in mid-1999. *(Reuters)*

Travel agents from the Netherlands are moving their annual convention to the Israeli resort of Eilat on the Red Sea from Jerusalem because of fears of bombings, an Israeli spokeswoman said Wednesday. *(Reuters)*

Central Vietnam provinces have been told to prepare for storms and flooding as a typhoon moves in from the South China Sea, a relief agency said Wednesday. *(Reuters)*



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WEATHER

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	26/79	19/66 c	24/75	17/62 sh
Amsterdam	21/70	13/55 s	22/71	13/55 s
Ankara	17/62	1/34 pc	18/64	0/32 pc
Athens	22/71	13/55 pc	21/70	12/53 s
Barcelona	21/70	13/55 pc	21/70	14/57 s
Belgrade	18/64	8/43 s	19/66	9/48 c
Berlin	20/68	12/53 s	21/70	12/53 s
Brussels	22/71	13/55 s	23/73	14/57 s
Budapest	18/64	8/48 s	19/66	9/48 c
Copenhagen	19/66	12/53 s	19/66	12/53 s
Costa Del Sol	27/80	18/66 c	29/79	17/62 c
Dublin	18/64	12/53 pc	18/66	13/55 pc
Edinburgh	18/64	10/50 pc	18/64	11/52 pc
Florence	22/71	9/48 s	23/73	12/53 s
Frankfurt	21/70	10/50 s	21/70	10/50 s
Geneva	23/73	11/52 s	24/75	12/53 s
Helsinki	13/55	6/48 c	14/57	4/39 pc
Istanbul	18/64	7/44 pc	17/62	8/46 pc
Kiev	8/46	2/35 c	11/52	6/43 c
Las Palmas	24/75	19/66 pc	23/73	18/64 pc
Lisbon	21/70	18/64 c	20/68	14/57 r
London	23/73	13/55 s	23/73	14/57 s
Madrid	28/82	14/57 c	25/77	13/55 c
Mallorca	26/79	13/55 pc	24/75	14/57 s
Milan	23/73	13/55 s	24/75	14/57 s
Moscow	8/46	7/44 sh	10/50	6/43 r
Munich	19/66	8/46 s	19/66	9/48 s
Nice	22/71	16/61 s	23/73	17/62 s
Oslo	18/64	9/48 r	18/64	9/48 pc
Paris	22/71	12/53 s	23/73	13/55 s
Prague	18/64	7/44 pc	19/66	8/46 s
Reykjavik	10/50	6/46 r	10/50	3/37 r
Riga	13/55	6/46 sh	16/61	7/44 pc
Rome	23/73	11/52 s	23/73	13/55 s
St. Petersburg	11/52	7/44 c	13/55	7/44 r
Stockholm	16/61	9/48 pc	15/59	7/44 pc
Strasbourg	23/73	11/52 s	24/75	12/53 s
Tallinn	13/55	9/48 c	15/59	6/43 pc
Tbilisi	24/75	16/61 c	13/66	12/53 r
Venice	20/68	11/52 s	22/71	13/55 s
Vienna	18/64	9/48 pc	19/66	10/50 pc
Warsaw	16/61	8/46 c	14/57	7/44 sh
Zurich	21/70	11/52 s	22/71	12/53 s

Middle East

Abu Dhabi	42/107	24/75 s	43/109	24/75 s
Beirut	22/71	17/62 pc	24/75	19/66 pc
Cairo	31/88	17/62 s	34/93	20/68 pc
Damascus	25/77	11/52 s	26/79	11/52 pc
Jerusalem	22/71	11/52 s	26/79	13/55 pc
Luxor	37/98	14/57 s	38/100	16/61 s
Riyadh	41/106	22/71 s	41/106	22/71 s

Forecast for Friday through Sunday, as provided by AccuWeather.

North America
Heavy rain from Hurricane Nora is possible from Southern California into Arizona and New Mexico Friday into the weekend. The rest of the West will be sunny and very warm to hot. Brisk and cool in New York Friday, then lots of sunshine and turning milder this weekend.

Europe
London, Paris and Berlin will have lots of sunshine with nice afternoons Friday through the weekend. Central and southern Europe will be warm with sunshine, but soaking rains will continue in Spain and Portugal. Cool Friday eastern Europe, but warming this weekend.

Asia
Cool with some sun in Beijing Friday, then warming up over the weekend. It may rain in Tokyo Friday, then partly sunny and warm. Showers are likely in Seoul Friday and Saturday, but heavier rains will soak North Korea and northern Japan. Hot and dry across western China.

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	12/53	7/44 sh	14/57	7/44 sh
Atlanta	24/75	17/62 r	26/79	18/61 sh
Boston	18/64	11/52 pc	20/68	11/52 pc
Chicago	25/77	10/50 s	23/73	12/53 s
Dallas	30/86	19/61 s	28/82	18/61 s
Denver	29/82	9/48 s	28/82	9/46 pc
Detroit	21/70	10/50 pc	22/71	11/52 pc
Honolulu	31/88	23/71 s	32/89	24/75 pc
Houston	30/86	17/62 s	27/80	16/61 s
Los Angeles	33/91	18/64 s	30/86	17/62 pc
Miami	31/88	24/75 pc	32/89	29/79 t
Minneapolis	22/71	12/53 pc	24/75	12/53 s
Montreal	17/62	11/52 sh	18/61	7/44 pc
Nassau	32/89	29/79 pc	33/91	25/78 pc
New York	18/64	13/53 sh	19/66	11/52 pc
Orlando	32/89	22/71 t	32/89	24/75 t
Phoenix	36/97	23/73 t	39/97	23/73 t
San Fran.	21/70	14/57 pc	23/73	13/55 pc
Seattle	24/75	13/55 pc	19/66	11/52 c
Toronto	18/64	9/48 sh	19/66	10/50 pc
Vancouver	23/73	12/53 pc	13/56	7/44 c
Washington	19/66	13/55 r	21/70	12/53 pc

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	24/75	10/50 s	24/75	13/55 pc
Bali	31/88	23/73 s	30/86	23/73 s
Bangkok	32/89	25/77 sh	30/86	25/77 r
Beijing	21/70	14/57 sh	19/66	9/48 pc
Bombay	29/82	23/73 t	29/84	23/73 sh
Calcutta	29/84	26/79 t	29/84	23/73 t
Chiang Mai	29/84	23/73 r	30/86	21/70 sh
Colombo	28/82	23/73 r	28/82	23/73 pc
Hanoi	29/84	23/71 t	34/76	19/66 t
Ho Chi Minh	31/88	24/75 sh	31/88	23/73 r
Hong Kong	28/82	23/73 sh	27/80	22/71 sh
Islamabad	37/98	19/66 s	37/98	20/68 s
Jakarta	32/89	22/71 pc	31/88	23/73 pc
Karachi	34/93	22/71 s	33/91	22/71 s
K. Lumpur	32/89	23/73 pc	32/89	23/73 t
K. Kinabalu	31/88	23/73 sh	31/88	23/73 t
Manila	31/88	22/71 pc	31/88	22/71 pc
New Delhi	35/97	22/71 s	37/98	22/71 s
Phnom Penh	31/88	24/75 r	29/84	24/75 r
Phuket	32/89	25/77 sh	30/86	25/77 sh
Rangoon	29/84	23/73 r	29/84	23/73 t
Seoul	19/66	14/57 r	21/70	13/55 sh
Shanghai	23/73	18/64 sh	23/73	14/57 pc
Singapore	31/88	22/71 pc	30/86	22/71 pc
Taipei	29/82	23/73 c	27/80	21/70 r
Tokyo	22/71	19/66 c	23/73	23/73 r
Vientiane	28/82	24/75 t	27/80	21/70 t

Africa

Algiers	29/79	14/57 pc	27/80	16/61 s
Cape Town	19/66	14/57 c	24/75	15/59 pc
Casablanca	28/79	19/66 pc	23/73	16/61 s
Harare	29/79	13/55 pc	24/75	11/52 pc
Lagos	29/84	23/73 c	29/84	23/73 t
Nairobi	30/86	11/52 s	30/86	11/52 s
Tunis	25/77	17/62 sh	24/75	15/59 pc

Latin America

Buenos Aires	17/62	8/43 s	17/62	10/50 pc
Caracas	31/88	21/70 pc	29/84	21/70 pc
Lima	21/70	17/62 sh	21/70	16/61 c
Mexico City	23/73	14/57 sh	21/70	12/53 c
Rio de Janeiro	28/79	21/70 pc	25/77	19/66 pc
Santiago	19/66	7/44 pc	14/57	3/37 c

Oceania

Auckland	14/57	9/48 sh	14/57	9/48 c
Sydney	18/64	11/52 r	19/66	12/53 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

Paul Bunyans in Scuba Gear Find Fortune in Century-Old Logs

By Dirk Johnson
New York Times Service

ASHLAND, Wisconsin — Russet sunlight skips across Lake Superior, the last waltz of a fading summer, as a scuba diver descends toward a pile of ancient oak logs. They are sunken remnants of a vast virgin forest, felled in a lumber-boom frenzy, then lost and forgotten for a century.

"Jackpot!" exclaims the diver, Jeff Petrouski, 24, speaking to co-workers on the crew boat via voice linkup after discovering timber cut up to a century or more ago.

From the Civil War to World War I, when lumberjacks largely denuded the rugged north woods of Wisconsin, logs were often stored in floating masses on Lake Superior, and many sank. Rather than retrieve the logs, it was cheaper and easier just to cut down more trees.

But now the scarcity of old timber, with its tight grain from slow growth, has made these logs sunken treasure.

The Superior Water-Logged Lumber Co., headed by an underwater explorer who once made a living searching for shipwrecks, collects, dries and saws the timber, then sells it to furniture makers, artists and makers of stringed instruments.

"We've got a virgin forest at the bottom of the lake," said Scott Mitchen, 39, the president of Water-Logged Lumber in this old port town, noting that millions of old logs could be recovered from the bottoms of oceans, lakes and rivers around the world.

"Every tree we retrieve is a tree we don't have to cut down," Mr. Mitchen said. "This is environmentally friendly logging."

In June, the U.S. Army Corps of Engineers and Wisconsin officials approved underwater logging in parts of Lake Superior.

Water-Logged Lumber, which operates in a formerly abandoned sawmill that it purchased for $1 from this job-starved town, has recently started using sonar to locate the underwater logs, which tend to be plentiful near the sites of long-vanished lakeshore mills.

For now, divers attach bolts with looped heads to the logs, which are pulled up individually by galvanized wire and loaded onto a barge. The company expects to retrieve about 10,000 logs by the end of October, when the lake might start icing up.

The operation has orders for $7.5 million in timber.

Starting next year, the company plans to use a crane on the barge to scoop up a number of logs in each operation. The aim is to pull up 20,000 to 30,000 logs before the weather turns bad.

The idea for the company came to Mr. Mitchen while he was exploring for shipwrecks in Lake Superior in the early 1990s.

In his dives he spotted countless logs. The abundance of logs, along with rising timber prices, convinced him there was a treasure in the water, he said.

Water-Logged Lumber pays the state of Wisconsin one-third of the value of each log, based on the current market value of freshly cut timber.

After a drying process that takes weeks, the old wood is cut and sold for much higher prices than new wood, sometimes 10 times as much.

About a dozen kinds of trees are retrieved, including oak, maple, birch, elm, ash and pine. Bird's-eye maple, with its iridescent grain, is especially prized.

While most of the wood goes for furniture and craft work, some has been used to make stringed instruments, such as a flat-topped acoustic guitar that the company is giving to the country singer Johnny Cash.

The company's keenest hopes lie in finding wood for exquisite violins. A sample of 300-year-old maple has been analyzed by Joseph Nagyvary, a researcher and violin maker at Texas A&M University, who has compared it to the material used by Antonio Stradivari, the Italian who made some of the world's finest violins in the 17th and 18th centuries.

"I have not seen anything like this in modern times — it's in the same ballpark as a Stradivarius," said Mr. Nagyvary, whose research indicates Stradivari soaked his wood in water, which removed gums and resins — so the lake may have cleansed the logs in a similar way.

Senate to Move on Campaign Funding

Warned by Clinton, Parties Will Debate Legislation Before Break

By Helen Dewar
Washington Post Service

WASHINGTON — Prodded by President Bill Clinton, the Senate put aside bickering and agreed to bring up campaign-finance legislation before Congress adjourns in November.

Armed with a letter from Mr. Clinton threatening to invoke a rarely used presidential power to keep Congress in session if Republicans refuse to allow sufficient time for debate, the minority leader, Thomas Daschle, Democrat of South Dakota, abandoned his opposition to an offer by Senator Trent Lott, the Mississippi Republican who is majority leader, to bring up the bill, but without setting a specific date.

"If any attempt is made to bring this bill up in a manner that would preclude sufficient time for debate, I will call on Congress to stay in session until all of the critical elements are fully considered," President Clinton wrote to the Republican and Democratic leaders.

This guarantees that the bill will not be squeezed into the final hours of the session in early November and trampled in a rush to adjourn, Mr. Daschle said. If time runs out, Mr. Clinton can simply prolong the session, he added.

The Constitution provides that the president "may, on extraordinary occasions, convene both houses, or either of them."

While Mr. Lott has refused to set a date, he has said repeatedly that he does not intend to wait until the last minute to bring up the bill. Other Republicans have said Mr. Lott has told them he plans to bring up the measure before the end of October.

With Mr. Lott and Mr. Daschle finally in grumpy agreement, the way was cleared for debate on a bill sponsored by Senators John McCain, Republican of Arizona, and Russell Feingold, Democrat of Wisconsin, that includes a ban on unregulated "soft money" donations to political parties.

Under the agreement, Republicans will have an opportunity to present an unspecified alternative that probably will include curbs on the use of union dues for political activities.

But the agreement, reached Tuesday, still might not result in up-or-down votes on the competing measures. The possibility of a filibuster looms if, as expected, neither side can muster the 60 votes needed to force a final vote.

While Mr. Clinton did not spell out what would satisfy his conditions, White House aides said a vote was a minimum requirement. "We can't tell Congress what to do," said the White House press secretary, Michael McCurry. "Our Constitution doesn't work that way. But we can keep them here until there's an adequate time for members of the Senate to be recorded yea or nay on the measure."

Mr. McCurry and other Clinton aides later hedged, however, suggesting that any vote — such as a vote to prolong a filibuster — would be sufficient to put lawmakers on the record.

Karen Cooper/The Associated Press

Ron Carey, right, leaving with an aide after issuing the denial.

Away From Politics

• **The U.S. Forest Service** placed Montana's Rocky Mountain Front off-limits to future oil and gas leasing, settling a two-decade fight between energy interests and environmentalists over the 100-mile-long intersection of plains and mountains that is home to threatened grizzly bears and some of the nation's biggest herds of elk, bighorn sheep and other mammals. *(WP)*

• **A Vietnam veteran who gunned down an off-duty police officer** after a 1981 robbery was put to death by lethal injection at a state prison in Pitosi, Missouri. *(Reuters)*

• **The court-appointed officer** investigating the re-election campaign of the Teamsters Union president, Ron Carey, removed herself from the case, throwing the process into turmoil as Mr. Carey denied any part in illegal fund-raising for his campaign. Barbara Zack Quindel, who was weighing whether to disqualify Mr. Carey from a rerun against James Hoffa, resigned after evidence implicated a political party to which she belongs and an associate of one of her investigators in the case. *(AP)*

POLITICAL NOTES

This Senate Perk Comes in a Package

WASHINGTON — If the MCI Center's exclusive club-level tickets could be bought individually instead of in a package, it would cost a little over $91 to watch Wizard basketball or Capital hockey when the new arena opens in December.

Abe Pollin, the arena's owner, however, puts a different price on the tickets: $48. By doing that, he won a ruling from the Senate ethics committee this summer that will allow senators and Senate staff to take free seats from corporations and lobbyists. The reason: Senate rules allow any gifts that are valued at less than $50.

Mr. Pollin's spokesman says setting the value of the tickets had nothing to do with getting under the Senate gift ban. But citing the ethics ruling, Mr. Pollin's Washington Sports & Entertainment Center has aggressively marketed the club level as the perfect opportunity "to enhance existing customer relationships."

The club level features a private outside entrance, "extra wide seats with cupholders" and "personal waitservice with special food and beverage options." *(WP)*

Gore to Give Media His Trick or Treat

WASHINGTON — The invitations are going out soon for Vice President Al Gore's more-or-less traditional Halloween Party for press and families. The event, held every year but last, is at the vice president's home on Sunday, Oct. 26.

This is a gutsy move for Mr. Gore, inasmuch as he's likely to be greeting a sea of saffron-robed reporters with checkbooks as the favored costume this year. Orange is, after all, a Halloween color.

The Gores have not settled on their costumes this year. Safe to say there won't be any of the freebie Disney characters that caused a fuss two years ago. But it's never easy to find the right get-up. Maybe they had a chance to do some costume-shopping in Moscow this week. *(WP)*

Bid for Legal Fees From Paula Jones

WASHINGTON — Paula Jones's former lawyers have put in a bid to collect $800,000 in legal fees if she is awarded attorneys' fees in any settlement or court resolution of her sexual misconduct suit against President Bill Clinton.

The attorney, Joseph Cammarata, said Tuesday that he and Gilbert Davis served notice on Ms. Jones, Mr. Clinton and two insurance companies that they hold a lien for hourly fees.

Mr. Cammarata and Mr. Davis withdrew as Mrs. Jones's counsel Sept. 8 after disagreement with her over a settlement. But they are still entitled to compensation for the three years of work they did on the case, Mr. Cammarata said in a telephone interview. *(AP)*

Quote/Unquote

Cliff May, a spokesman for the Republican National Committee, on his party's opposition to a U.S. Senate challenge to the lone American Indian in Congress: "We have had 320 elected Democrats who have switched parties since Bill Clinton has been in the White House. We don't want someone who switches parties, like Ben Nighthorse Campbell, to face a difficult primary." *(NYT)*

College Costs Rise Again

Tuition Fees Are Up 5%, Outpacing Inflation

The Associated Press

WASHINGTON — College costs far outpaced inflation in the United States this fall as the average yearly tuition at a state university or college pushed past $3,000 and private tuition rose beyond $13,000.

The College Board's annual survey found that undergraduate tuition and fees at four-year institutions increased an average 5 percent since last year, triple the current inflation rate.

That means families are paying $136 to $670 more than last year. Add room, board and other expenses, and a year at a public college costs more than $10,000. Costs add up to more than $21,400 on average at a private school.

Increases have run about 5 percent for the last five years after double-digit rises earlier in the decade. Average tuition has more than doubled since 1976, even when inflation is considered.

Although decrying a fall in state and federal support for higher education, a special panel of educators and others reported this year that colleges and universities must restructure and become more businesslike.

David Warren, president of the National Association of Independent Colleges and Universities, said some of that already has been done. And that's one reason, he says, the rate of increase has leveled off at about 5 percent and should decline by 2001.

The high-end numbers distort the picture, said Donald Stewart, president of the College Board, an association of colleges, schools, universities and other organizations. More than half the undergraduates at four-year institutions pay less than $4,000 for tuition and fees.

Deserter Avoids Prison Term

Los Angeles Times Service

CAMP PENDLETON, California — A 48-year-old Marine Corps deserter from the Vietnam era escaped a prison sentence as a military judge gave him a bad conduct discharge and permission to return to Canada.

Randy Caudill was sentenced after a brief hearing Tuesday that summoned up the bitterness and division that were prevalent in America in 1968, the year Mr. Caudill deserted.

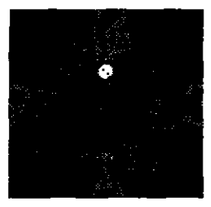
"He made a mistake in 1968, but so did many, many people who dodged the draft or deserted," said Major Daniel Lecce, Mr. Caudill's attorney, as he asked the court for leniency.

Mr. Caudill, who has lived in Winnipeg, Manitoba, since deserting, told the judge that his desertion was not a political statement or an indication of disdain for the United States.

"I was 19 and not very pleased by the Corps at the time," said Mr. Caudill.

Mr. Caudill could have received three years in prison on the desertion charge, but Marine Corps officials did not recommend a prison sentence.

The judge, Lieutenant Colonel John Blanche, meted out the bad conduct discharge, but the prosecutor, Major John Scott, had asked for the more severe dishonorable discharge.



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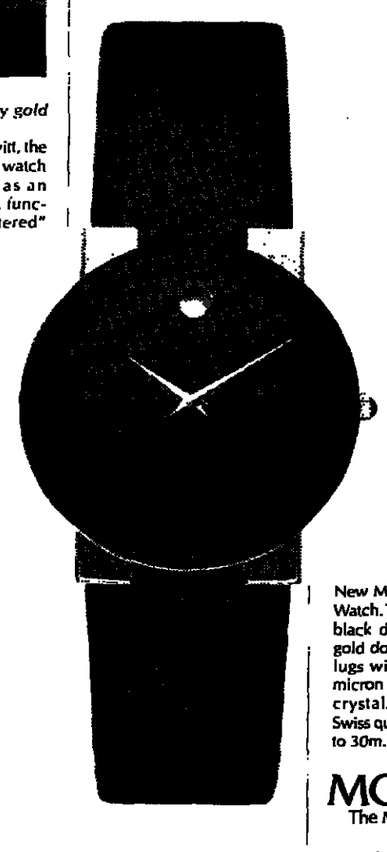

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Fear Reigns as Taleban Enforces Lifestyle of a Past Millenium

By John F. Burns
New York Times Service

KABUL — Nearly a year after the Taleban Islamic movement cemented its position as the dominant power in this country by seizing Kabul, the Afghan capital is a place of deepening frustration and fear.

The white flags that the Taleban raised over Kabul's rooftops on Sept. 27, 1996, signaled the advent of the world's harshest form of Islamic rule. Led by Muslim clerics whose attitudes were forged in Afghan villages that have changed little in 1,000 years, the Taleban announced the intention to create "a pure Islamic society" modeled on the teachings of the Koran.

Women were barred from work and girls from schools. Any woman past puberty was barred from even talking to men unless they were blood relatives. Any woman venturing from her house had to have an approved reason, like going to the bazaar for food.

Men were required to grow bushy beards and also came in for a bewildering array of restraints, including taboos on popular pastimes like playing cards, listening to music, keeping pigeons and flying kites.

To impose their decrees, the Taleban unleashed an army of armed enforcers who scoured Kabul and other parts of Afghanistan, conducting "beard checks" and other controls on behalf of a religious police force known as the General Department for the Preservation of Virtue and the Elimination of Vice.

A year after the takeover by the Taleban, their unrelenting zeal, reflected in a fresh burst of decrees almost every week, has caused deep despair among most of the million people in Kabul.

For many, Taleban rule is an ironic culmination of events that began nearly 20 years ago when Afghan Communists, seizing power in a coup, embarked on their own relentless vision — destroying the mullahs' grip on Afghan society and spreading at least some of the benefits of 20th-century life, including education for women.

In the bazaars, an old Persian word, *wahshat*, meaning a paralyzing sense of fear, occurs regularly in conversations. Many people seem caught between this fear and an urge to speak out, but they quickly plunge back into something approaching panic.

"God help me if the Taleban come to know that I spoke to you," said a man working in a tiny tailor's shop in the city center. "They would call me a traitor to Islam."

In pickup trucks bristling with guns and rockets, the Taleban warriors are ever-present. Sometimes their destination is a battlefront with anti-Taleban forces to the north. But just as often, young militants roam the city seeking targets.

Sometimes these are men seized for beard checks, then held in freight containers that serve as detention centers until they are ransomed by their families. Sometimes they round up people they label subversives, who are then released to their families for sums as high as $1,500, a fortune in a city where many families can barely scrape together enough money to buy the day's food.

One Afghan working for a Western aid organization erupted in anger after a morning visiting war orphans, widows and others who receive little or no attention from the Taleban, except for "inspections" to check that no edicts have been breached.

"I'll tell you this, and as a Muslim I never thought I could say such a thing," the man said. "I think we'd be better off under almost any kind of rulers — Hindu, Sikh, Jewish, even Christian — than under these fanatics. Most days, I wake up thinking we'd all be better off dead."

The Taleban have responded to the backlash by saying that the most controversial aspect of their rule — the exclusion of women from work and girls from school — will be reviewed once the security situation improves.

In May, loathing for Taleban clerics and fighters played a role in an uprising in the northern city of Mazar-i-Sharif that drove the Taleban almost all the way back to Kabul, killing hundreds of Taleban fighters and capturing 3,000.

Even with the fighting continuing in the north, the Taleban have tightened their repression. Thousands of men aged 15 to 45 have been arrested and herded into cramped cells in Pul-i-Charki Prison, a notorious fortress built by the Communists, on suspicion of being infiltrators for the besieging forces.

Foreign reporters have been summoned by the mullahs.

In interviews, several powerful mullahs repeated earlier pledges to give "a positive response" to their opponents pleas for moderation once their enemies in the north, who control 10 of Afghanistan's 32 provinces, have been defeated. But they quickly reasserted the basis for the restrictions on women, saying they were necessary to prevent Afghanistan from falling into the pit of "evil and corruption" that the emancipation of women brought to the West.

Sher Mohammed Abbas Stanakzai, the acting foreign minister, offered a view he said was reinforced by a visit he made last year to Washington, where he met with top officials of the Clinton administration to argue unsuccessfully for U.S. diplomatic recognition of the Taleban.

In each day's newspaper, he said, he read of Americans' "intoxication with sexuality" and of its effects, including charges against army drill instructors of sexual harassment and rape.

Mr. Stanakzai, 38, speaking English learned in India, contrasted this with life for women under the Taleban, which he said respected their "human rights," as well as their nature.

"In Western countries, women come out of their houses almost naked, they go freely to nightclubs, they drink and they dance all night," he said. "And when our society says you cannot do such things, a woman's role is to marry a well-respected gentleman, have children and stay at home, you say we are taking people back to the old ages."

The leader of the anti-Taleban alliance attacking Kabul, Ahmed Shah Massoud, has said the first priority after recapturing the capital will be to restore the rights of women.

The Taleban have continued to tighten their restrictions. Women, required to shroud themselves in head-to-toe garments called *burqas*, now risk beatings in the streets for wearing white socks, long a fashion in Kabul but proscribed now as by Taleban militants who say they are sexually provocative.

China Warns U.S. and Japan on Taiwan

Compiled by Our Staff From Dispatches

BEIJING — China spelled out its opposition to a Japan-U.S. defense accord on Wednesday, while Taipei applauded the expanded agreement as a positive step toward regional stability.

South Korea gave a guardedly neutral response, urging Washington and Tokyo to consult closely with Seoul on the new guidelines that give Japan a broader military role in any U.S. engagement in the region.

Japanese and American officials in announcing the pact were careful not to specify other countries as potential threats. But a Japanese cabinet official said last month that Taiwan would be one place where Japan might have to come to the support of U.S. military forces.

"Any act that includes, directly or indirectly, the Taiwan Strait in the framework of U.S.-Japanese defense cooperation is an interference in, and violation against, China's sovereignty," a Chinese Foreign Ministry spokesman said. "This would be completely unacceptable to the Chinese government and the Chinese people," he said.

Under the guidelines unveiled Tuesday, Japanese support for any U.S. military operation would be mainly logistical — access to additional ports and airfields — but could also include tasks such as reconnaissance, intelligence gathering and minesweeping to keep international sea lanes open. The guidelines do not say so, but they were clearly drawn up with the Korean Peninsula in mind, as well as the potential for conflict in the Taiwan Strait.

"Once again, we would like to point out that the main reason China pays such great attention to the orientation of Japanese-U.S. defense cooperation is the fact that it concerns the island of Taiwan," the Chinese Foreign Ministry spokesman said.

"We hope the Japanese and U.S. governments will respect their promises on the Taiwan issue," the spokesman said, adding that Beijing hoped the two allies would "do nothing to undermine China's interests and hurt the feelings of the Chinese people."

The spokesman also stressed that the decision to strengthen the military alliance was mis-timed, given the stable political situation in the Asia-Pacific region.

In contrast, Prime Minister Vincent Siew of Taiwan welcomed the development. "As long as the signing countries believe the guidelines would benefit regional stability, the impact should be positive," the Central Daily News quoted Mr. Siew as saying.

Meanwhile, in Seoul, the South Korean Foreign Ministry called on Tokyo and Washington to "maintain maximum transparency" in operating the guidelines.

"We expect the two countries to continue close consultations with us in issues related to the sovereignty of the Republic of Korea," a ministry statement said.

But in briefings for local reporters, the ministry's Asia and Pacific affairs director, Ryu Kwang Sok, sought to allay what he referred to as "concerns" over an the expanded role of Korea's former colonial master.

"We've again delivered to Japan and the United States the concerns among Japan's East Asian neighbors that the revision may incur the expanded role of the Japanese military," the Yonhap news agency quoted Mr. Ryu as saying.

Normalization of relations between Tokyo and Seoul in the mid-1960s was met with mass street rioting in South Korea.

Mr. Ryu said that South Korea did feel the new guidelines "undeniably" helped secure peace and stability in South Korea, because U.S. troops were based in Japan as a back-up for an emergency on the Korean Peninsula.

"In that sense we cannot deny the revision of the U.S.-Japanese defense guidelines will help," he said, but he added that the "tragic history" between Korea and Japan required a "cautious stance." *(AFP, AP)*

Seoul Journalists Visit North

The Associated Press

SEOUL — Four South Korean journalists have arrived in North Korea after gaining permission from their government to visit the Communist country, officials said Wednesday.

South Korea approved the journalists' trip on the condition that they report only on cultural affairs and historical relics — coverage of the North's severe food shortage or its political situation is banned. Seoul also maintains the right to censor their reports.

It was the first time South Korea had allowed an individual news organization to send journalists to North Korea.

The four journalists from Joong-Ang Ilbo, a national daily, arrived in Pyongyang, the North's capital, on Tuesday via Beijing, according to South Korea's Ministry of National Unification.

Separately, two South Korean pastors from the Korea National Council of Churches also arrived in the North on Tuesday to discuss religious cooperation, the government said.

South Korea said it hoped to increase exchanges with the North as part of an overall effort to improve relations. Washington and Seoul are trying to bring the North to peace talks aimed at reaching a formal treaty to replace the armistice that followed the 1950-53 Korean War.

Thai farmers protested Wednesday as lawmakers haggled in Parliament.

Thai Leader Is Assailed by Predecessors

The Associated Press

BANGKOK — Two predecessors of Prime Minister Chavalit Yongchaiyudh accused him Wednesday of pushing Thailand into insolvency and its worst economic crisis in decades, as Parliament opened a three-day debate on whether to censure him.

Mr. Chavalit sat impassively as Chuan Leekpai and Banharn Silpa-archa, two former prime ministers, assailed the record of his 10-month-old government. But he later accused them of creating a mess that he had to clean up.

The prime minister, whose approval ratings have plummeted with the economy, said he was "100 percent" confident that when the debate ended he would win the confidence vote that is scheduled for Friday.

Mr. Chuan, leader of the New Democrat Party, spent two hours denouncing Mr. Chavalit for not averting the economic collapse that led Thailand to seek a $17.2 billion bailout from the International Monetary Fund.

Mr. Chuan also said the prime minister misled the nation when he promised June 30 that the baht would never be devalued. He effectively did just that three days later. The baht has since lost 30 percent of its value, and the collapse has triggered a wave of currency crises across Southeast Asia.

Mr. Banharn, forced out as prime minister a year ago when Mr. Chavalit, a key ally, turned against him, accused the prime minister of throwing good money after bad by trying to prop up failing finance companies sinking under bad property loans.

Mr. Chavalit responded that Mr. Chuan and Mr. Banharn had ignored warnings since 1993 that the economy was overheating: "We were already at the edge when I took office in December 1996," he said. "It was clear that the economy was in great danger then."

He said he had "no choice" but to deny a devaluation of the baht, saying he would have caused even greater damage had he given advance notice.

Although there have been rumors that one of his key coalition allies, the National Development Party of former Prime Minister Chatichai Choonhavan, might abandon Mr. Chavalit in the confidence vote, his opponents predicted he would survive.

An advantage for Mr. Chavalit is that after the censure vote, Parliament is to vote on a new constitution that has widespread public support. If he is censured, or his government collapses, the charter would be put on hold, raising the possibility of a voter backlash against those who brought down the government.

BRIEFLY

Hun Sen Threatens To Cut Ties to UN

PARIS — The leader of Cambodia, Hun Sen, threatened Wednesday to suspend cooperation with the United Nations following the organization's decision to leave his country's seat vacant at the next General Assembly session.

At a news conference in Paris, Mr. Hun Sen assailed the UN decision, saying it was "a violation against the Cambodian government and a crime against its king."

Mr. Hun Sen is battling Prince Norodom Ranariddh, whom he ousted in July, for the UN seat and the political legitimacy it would confer on his government. *(AP)*

President in Vietnam Gets Rubber Stamp

HANOI — The National Assembly on Wednesday elected the Communist Party's choice for president by an overwhelming majority.

The new president, Tran Duc Luong, was unopposed for the job.

The secretive selection process was conducted last week, and the assembly vote was little more than rubber-stamp approval. The 60-year-old former deputy prime minister received 440 votes from a total of 444 voting members, a government official told The Associated Press.

Mr. Luong, elected to the Politburo last year, was a political unknown who rose rapidly to one of the three top jobs in the government. *(AP)*

Australian Scandal

CANBERRA — Two senior Australian ministers resigned abruptly Wednesday in a scandal over parliamentary travel allowances.

Transport Minister John Sharp and Administrative Services Minister David Jull were forced to quit after it was revealed Mr. Sharp had overclaimed almost $6,500 in travel allowances and secretly repaid them. Mr. Jull, who oversees expenses, did not report the transactions. *(Reuters)*

Protests in Mongolia

ULAAN BAATAR, Mongolia — The prime minister of Mongolia told colleges on Wednesday to cut tuition and lodging fees after thousands of students demonstrated in the streets for a second day to protest higher costs.

M. Enkhsaikhan told officials of 40 universities and colleges that the government considered the demand for reductions "to be with foundation."

About 6,000 students boycotted classes and marched through the capital in a second day of illegal demonstrations. *(Reuters)*

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Bosnian Serb Accord

Plan to Resolve Rivalry Includes Voting

Compiled by Our Staff From Dispatches

BELGRADE — The Bosnian Serb president and a rival hard-line leader agreed Wednesday on ways to resolve a crisis in the Bosnian Serb entity, the state press agency, Tanjug, reported.

President Biljana Plavsic and the Serb member of the Bosnian presidency, Momcilo Krajisnik, met with the Yugoslav president, Slobodan Milosevic. They defined joint steps to overcome the crisis in Republika Srpska, the Bosnian Serb entity, and carry out the Dayton peace agreement, the report said.

The accord raised hopes of an end to a standoff between Mr. Krajisnik's hard-liners, who are loyal to Radovan Karadzic, a former president and an indicted war criminal, and Mrs. Plavsic. A moderate, she has Western support.

The two sides agreed to hold three elections that will essentially decide Bosnian Serb loyalties, the press agency said.

Parliamentary elections will be held Nov. 15, Tanjug said. Elections for the Bosnian Serb presidency — now held by Mrs. Plavsic — and the Serb member of the all-Bosnia presidency — now Mr. Krajisnik — will take place Dec. 7, the agency continued.

Mrs. Plavsic and Mr. Krajisnik also agreed to split Bosnian Serb television broadcasting, with one side airing its views one day, the other side the next.

Both sides will undertake all necessary measures to stop all confrontations that lead to a division of the Bosnian Serb substate, said a joint statement carried by Tanjug.

Emerging from the meeting, which was convened by Mr. Milosevic, Mrs. Plavsic appeared pleased.

"President Milosevic had good suggestions how to resolve some problems in Republika Srpska," she said.

"I think that with parliamentary elections we shall settle the situation."

She made no mention of the two other elections reported by Tanjug.

Mr. Krajisnik, speaking separately, said that the agreement would "let the people decide which policy will prevail in the future."

Mrs. Plavsic was in Belgrade for the first time since she was humiliated by the Serbian police, who detained her at the city's airport at the end of June and escorted her to the Bosnian Serb republic's border.

The incident flushed into the open the conflict between Mrs. Plavsic and hard-liners, including Mr. Karadzic and Mr. Krajisnik, whom she has accused of bankrupting the republic.

The dispute has split Bosnian Serb territory in two, with Mrs. Plavsic in charge of the northwest and hard-liners in control of most of eastern Bosnia from their stronghold of Pale near Sarajevo.

Mr. Milosevic's invitation to Mrs. Plavsic for talks indicated a weakening of his support for the hard-liners. They have fought both Mr. Karadzic's extradition to the United Nations war crimes tribunal in The Hague and every stage of the Bosnian peace agreement so far.

An attempt by Mr. Krajisnik and the Bosnian Serb prime minister, Gojko Klickovic, to mount a virtual coup against Mrs. Plavsic in her stronghold of Banja Luka this month was foiled by her police.

They forced the hard-liners to flee the town in cars after their 70 bodyguards were disarmed. *(Reuters, AP)*

Alexander Khudoteply/Reuters

GOING HOME — Ukrainian soldiers at the Donetsk airport on Wednesday carrying the coffin of one of 12 miners from Ukraine and Russia who were killed in a methane explosion in a coal mine in Spitsbergen.

EU Faces Tough Decisions on New Members

By Barry James
International Herald Tribune

BRUSSELS — Although European Union governments have embarked on the process of extending membership to up to 11 nations waiting to join the world's largest trade bloc, formidable political and economic hurdles have to be overcome before they issue a formal invitation at their year-end summit meeting in Luxembourg.

In meetings over the next three months, they have to decide which countries they will invite to join, and how they will stretch their own resources to pay for the biggest expansion in the community's history.

The process is inevitable, but fraught with risks. If all 10 East European countries and Cyprus are admitted, it could double the number of farmers in the European Union and place perhaps intolerable pressure on the EU's Common Agriculture Policy, which already swallows up much of the community's budget in farm aid.

The enlargement will be paid for out of the EU's existing budget. But the new members will need large amounts of structural aid to enable them to compete in a single market embracing 15 nations. If the pie remains the same size and there are more guests at the table, it means that existing members will have to accustom themselves to smaller slices.

That prospect is already producing tensions in the EU, with countries like Germany and the Netherlands claiming that they contribute disproportionately to the community's budget while Mediterranean countries like Spain that receive large amounts of EU aid are warning that they will not give any of it up.

The European Commission, the EU's executive body, has made it clear that the accessions would "affect the budgetary positions of all the present member states, reducing the positive balances of net beneficiaries and increasing the negative ones of the others."

Commission officials said that with or without enlargement, the EU faces stringent financial and budget reforms to shift the burden of spending away from ruinous farm support. Another question that EU governments have to face is whether the structural aid already doled out has been wisely spent. Greece has been in the economic basement for 20 years, despite receiving huge quantities of aid. Spain and Portugal get not only structural aid — so does Germany — but also "cohesion funds" to help them prepare for entry into the European single currency.

Should they continue to receive these funds indefinitely? The principle is that they should eventually catch up with the rest of the EU and become net contributors to the union's budget.

For now, farmers and poor regions receive 80 percent of the EU's 80 billion Ecu ($87.81 billion) annual budget, leaving little for projects such as fighting unemployment. The commission's aim is to reduce farm support to about 50 percent of spending in the next few years and increase the funds needed to even out economic inequalities. The Eastern countries as a group have a gross national product only a third of the EU average, while the EU's four poorest members — Spain, Portugal, Greece and Ireland — collectively have a GNP of 74 percent of the average. Of the candidate nations, only Slovenia comes anywhere close to the EU standard, with a GNP of about 60 percent of the community's average. Poland, which in elections this week threw out the former Communists and returned a center-right government, is seen as one of the most market oriented, while Slovakia is regarded as deficient in almost every respect.

Because of their economic backwardness, the commission said, the applicant countries would have "a strong claim to substantial amounts of structural fund payments." To admit such populous and poor countries without reform of their agriculture or a building up of their industries would change the nature of the EU. Proposed changes are likely to cost an estimated 45 billion Ecus between 2000 and 2006.

If the EU were strictly a bean-counting organization, the enlargement might not make a lot of economic sense. But the community was founded on visionary principles of generosity and openness. Rejecting poorer countries would betray a fundamental principle.

Jacques Santer, the commission's president, is reported to be concerned that bickering about the costs of enlargement will send the wrong signal to the candidate nations, still struggling to emerge from the long night of communism.

For all its protestations about the size of its net payments to EU coffers, Germany has not abandoned its enthusiasm for enlargement. It is clearly in its interest to have secure and prosperous neighbors — and a market of 100 million people — along its eastern frontiers.

The Mediterranean countries, meanwhile, seem concerned that influence and money will slip away from them and flow to the East, strengthening the hegemony of the Germans. Despite its concern that it will have to compete with the candidate countries for structural aid, Portugal this week said it supported Romania's application to join the EU because "it is in our strategic interest to boost Latin cooperation in all sectors." Romania is the only Latin country in the group of candidate nations.

One question that the Luxembourg summit conference will have to decide is whether to open negotiations with all 10 candidate countries in Eastern and Central Europe, or only with those that appear to be more advanced.

The commission has proposed opening negotiations with six candidate nations — the Czech Republic, Estonia, Hungary, Poland, Slovenia and Cyprus — it regards as being in good economic shape. Some EU countries want to open negotiations with all the candidates to avoid perpetuating divisions. But Gyula Horn, Hungary's prime minister, says that to deal with them as equals would "demoralize the states that were prepared and were showing results."

BRIEFLY

Solidarity Seeks Coalition Partners

WARSAW — Solidarity pushed ahead with coalition talks Wednesday after election officials announced that the final tally from the parliamentary vote Sunday would be delayed.

Leaders of the Solidarity Election Action coalition of union-rooted parties met with the extreme rightist Movement for the Reconstruction of Poland, and planned talks later with the center-right Freedom Union, said a Solidarity spokesman, Tomasz Tywonek.

Mr. Tywonek said they also would talk with the Polish Peasant Party, the junior party in the government led by the Democratic Left Alliance, the former Communists, for the last four years. *(AP)*

Robbery Suspect Arrested in Spain

MADRID — The Spanish police said Wednesday that they had arrested a man suspected of masterminding a $36 million robbery in Switzerland this month.

Dieter Muller, a 21-year-old Swiss national, was captured in the resort of Torrevieja on the southeast coast after a high-speed car chase.

The police said he had paid cash for an expensive car and chalet and was seen gambling at casinos.

On Sept. 1, gunmen stole 53 million Swiss francs from a busy post office in the heart of Zurich's banking district. *(Reuters)*

Trouble With Beef

BONN — Germany admitted Wednesday that meat entering and leaving the country was not being controlled thoroughly enough to prevent trade in banned beef exports from Britain.

But Health Minister Horst Seehofer repeated German demands that the European Commission ensure that Britain improve its export surveillance, arguing that controls put in place after the scare over "mad cow" disease were not being properly implemented.

The shortcomings in Germany "do not remove the European Commission's duty to ensure regulations are adhered to first and foremost in Britain," Mr. Seehofer said. *(Reuters)*

BOOKS

HAND TO MOUTH
A Chronicle of Early Failure

By Paul Auster. 449 pages. $25. Henry Holt & Co.

Reviewed by Michiko Kakutani

PAUL AUSTER'S memoir about his early days as a struggling writer, describes a period in his life when he says everything he touched "turned to failure." "My marriage ended in divorce," he writes, "my work as a writer foundered, and I was overwhelmed by money problems" — a "constant, grinding, almost suffocating lack of money that poisoned my soul and kept me in a state of never-ending panic."

Although Auster is fairly well known these days (as the author of the critically acclaimed "New York Trilogy" and the screenplay for the movie "Smoke"), he spent much of his 20s and early 30s eking out a meager existence, doing translations and taking odd jobs. He did a stint in the merchant marine on an oil tanker, worked part time for a rare-book dealer and did free-lance writing for a movie producer.

Desperate for money, he also cranked out a detective novel, tried to sell a card game he'd invented as a boy and even considered responding to a matchbook cover ad that promised, "Make Money Growing Worms in Your Basement." In his free time, he worked on his own poems, plays and novels.

"I had spent my whole life avoiding the subject of money," Auster writes, "and now, suddenly, I could think of nothing else. I dreamed of miraculous reversals, lottery millions falling down from the sky, outrageous get-rich-quick schemes."

As he recounts in this slim, unsatisfying memoir, Auster's money problems began as a youthful, high-minded contempt for the bourgeois life of his parents in the New Jersey suburbs. "I squirmed every time I had to get into the family car — so bright and new and expensive, so clearly an invitation to the world to admire how well off we were," he recalls: "All my sympathies were for the downtrodden, the dispossessed, the underdogs of the social order, and a car like that filled me with shame — not just for myself but for living in a world that allowed such things to be in it." He would not be a writer who led a double life, masquerading by day as a doctor (like William Carlos Williams) or a banker (like T.S. Eliot), the young Auster decided. He would instead commit himself fully to being a writer.

Even given this memoir's limited ambitions — it is not a full-fledged autobiography but a meditation on the author's early struggles to make a living — there is something undernourished about it. It's not just the author's flat-footed prose; it's his refusal to give us the sort of color, insight and emotional detail that might transform his narrative into something more than a series of anecdotes strung like pop beads along a theme. Auster skims over the role his conflicted feelings about his parents' divorce played in shaping his attitude toward money, and he completely ignores the role his destitution played in the breakdown of his marriage.

The reader gets no real sense of Auster's relationship with his parents, his ex-wife or his son, no real understanding, for that matter, of his own personality other than that he wanted to be a writer, glamorized the idea of failure and had deeply ambivalent feelings about money. Auster's reticence on these matters seems motivated less by a conscious desire to withhold secrets than by a writerly obsession with compression and concision. Indeed many fascinating stories in this book are curiously brushed off in asides.

Auster's observation that he once knew seven of the FBI's 10 most wanted men — this was in 1969, when student radicalism was at its height — is tossed away in a sentence. And his encounters in Mexico with a "man who threatened to kill me" and a "schizophrenic girl who thought I was a Hindu god" are consigned to a parenthetical mention.

In fact, Auster's minimalist impulse — which has resulted in some elegant, elliptical novels — proves to be decidedly ill-suited to the autobiographical form. It results here, as it did in an earlier memoir about his father ("The Invention of Solitude," 1983), in a spiky, attenuated book that's engaging enough to read but oddly lacking in emotional resonance.

Curiously enough, this flimsiness seems to have been recognized by Auster and his editors, who have padded the volume with three long appendices that take up a good two-thirds of the book. Those appendices consist of work done by Auster during the years described by the memoir. There's the card game about baseball that he tried unsuccessfully to sell; a full-length detective novel about a baseball player who mysteriously dies of poisoning, and three short plays.

THE only reader likely to be interested in these apprentice works is the ardent Paul Auster fan, who will find in them clues to the author's subsequent development. The strongest of the three plays, "Laurel and Hardy Go to Heaven," both reverberates with echoes of Beckett's "Waiting for Godot" and anticipates Auster's 1990 novel, "The Music of Chance."

The basic themes of Auster's fiction — having to do with identity, chance and the elusiveness of truth — are established in these early works. So, too, are his favorite motifs of waiting, watching and searching. Like the memoir they accompany, however, these early pieces are underdeveloped; they are fledgling works, waiting to be hatched.

New York Times Service

BRIDGE

— Alan Truscott

THERE is probably only one place in the world where thousands of bridge enthusiasts may be glued to their television sets to watch a match in progress. It happened two weeks ago when the Marlboro China Cup was played in Chengdu, China.

The viewers, both remotely and in the Vugraph theater, enjoyed a thrilling battle between four invited world-class teams form North America, China, Poland and the Far East. With five deals remaining, Poland was lagging slightly, but the other three teams were virtually tied.

The American players, led by Boris Baran, were George Mittelman, Mark Molson, Peter Nagy, Peter Boyd and Steve Robinson. They snatched a victory largely because china bid a hopeless grand slam against them on the penultimate board.

The Far East team, a combined Taiwan-Indonesia squad, was second, and China needed a tie-breaker to keep Poland out of third place.

A United States team stormed back after a poor start to capture the Women's Teams. The winners were Kathie Wei-Sender, Lynn Deas, Juanita Chambers, Irina Levitina, Sue Sachs and Stasha Cohen.

Boyd kept his team in the hunt in the Open Teams with fine defense on the diagramed deal. He opened one diamond as East, and his Chinese opponents arrived in four hearts. The opening diamond lead was won in dummy and a trump was led. East played low and South put up the king, winning the trick. He ruffed a diamond, but had no quick entry to his hand to play a second trump. He prepared the way with a low club.

Boyd won with the queen and realized that the only hope for the defense was to score heart tricks. A diamond lead would have solved South's problem, and a shift to spades would have permitted the nine to become the crucial entry. But Boyd returned to club king, a far from obvious play, and South's goose was cooked. He won in dummy and led a club, but Boyd ruffed with the heart ace and his partner had two winners to defeat the game.

Since four spades was made easily in the replay, the Americans gained 10 imps.

NORTH
♠ A K Q 10 3
♡ 8 4
◇ A
♣ A J 9 7 5

WEST
♠ 8 7 4
♡ Q J 8
◇ K 7 3
♣ 8 6 3 2

EAST (D)
♠ J 5
♡ A 5
◇ Q J 10 9 6 4 2
♣ K Q

SOUTH
♠ 9 6 2
♡ K 10 9 7 3 2
◇ 8 5
♣ 10 4

Neither side was vulnerable. The bidding:

East	South	West	North
1 ◇	2 ♡	Pass	3 ◇
Pass	3 ♡	Pass	4 ♡
Pass	Pass	Pass	

West led the diamond three.

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2 Die From Effects of Indonesia Haze

Compiled by Our Staff From Dispatches

JAKARTA — Two Indonesians have died as a result of the forest fires that are spewing pollutants across much of Southeast Asia, sickening tens of thousands of people.

More than 1,200 fire fighters from Malaysia began arriving in Indonesia on Wednesday to help put out the fires, many of which were deliberately set to clear farm land.

A drought attributed to the El Nino weather phenomenon has exacerbated the problem, and Indonesia has tried to clear the skies by seeding clouds to produce rain.

Most of the fires have been burning on Sumatra and Borneo islands, sending a choking haze over Malaysia, Singapore, Brunei, the southern Philippines and southern Thailand.

In Indonesia, the secretary for the minister of welfare, Suyono Tahya, said two people had died of respiratory complications.

And in Malaysia, officials said about 15,000 people had received treatment for health problems related to the fires that have trapped the region under an umbrella of smoke and pollution.

The U.S. Embassy in Kuala Lumpur advised its employees to leave Malaysia if the smog makes them sick, and the Canadian Embassy said it would rotate its staff to Australia for a week at a time.

An official at the Japanese Embassy said some people had already returned to Japan, "but only those who have children or are having respiratory illness have left Malaysia."

More than 32,000 people on Sumatra and Borneo have suffered respiratory problems in the two months since the haze became a problem. Doctors also have reported numerous eye infections.

A state of emergency in Malaysia's Sarawak state, on Borneo, continued for a fifth day, with the pollution index hovering well above hazardous levels.

Meteorologists have attributed part of the problem to El Nino, the Pacific Ocean weather pattern that scientists believe disrupts weather around the globe. They warn that seasonal monsoon rains that could put out the fires, clear the skies and save crops might be delayed for weeks.

Malaysia said Wednesday that it would send transport planes to waterbomb Indonesia's forest fires and dispatch extra personnel to supplement the 1,200 fire fighters that have already arrived.

And the Malaysian information minister, Mohammed Rahmat, said the government was studying plans to spray water from the tops of tall buildings in the capital to dissolve some pollutants. It has called on citizens to wear protective masks.

But Thambyappa Jayabalan, a physician, called the masks "absolutely useless," saying: "They can hardly hold back 10 percent of the pollutants."

The government's air pollutant index — which measures levels of sulfur dioxide, carbon dioxide, nitrous oxide, lead and dust particles — reached about 150 Wednesday in Kuala Lumpur, a level considered "unhealthy." Levels of 201 to 300 are said to be "very unhealthy" and 301 to 500 is considered "hazardous."

In Kuching, capital of Sarawak state, the air pollutant index fell to 651, down from a record 839 on Tuesday, when residents said visibility was only a few feet. People were venturing outdoors Wednesday, though many wore masks, residents said. Many schools, factories and offices remained closed.

The Malaysian environment minister, Law Hieng Ding, said 330,000 masks would be sent to Sarawak and distributed to children, the elderly and people with respiratory problems.

In Jakarta, capital of Indonesia, skyscrapers were obscured by a haze that meteorologists said contained some smoke but mainly consisted of traffic and factory emissions mixed with dust from parched farmland.

"It doesn't have the same terrible smell and effect as the smoke haze," said Emmy Hafild, director of Walhi, an environmental lobbying group.

(AP, AFP, Reuters)

HAZE: *Smoke From Fires Blots Out Sun*

Continued from Page 1

A vegetable farmer outside Jambi trying desperately to prevent a fire from spreading to his small homestead blamed arsonists for the blaze affecting him.

He said he did not burn off the tinder-dry brush around his smallholding.

"I don't build fires myself. I think this fire was lit by someone else from the road," he said.

Jambi, with a population of about 265,000 people, lies on the west side of Sumatra's longest river, the Batanghari. The city is a timber and commodities center and provides services and supplies for companies in the interior.

Transport officials said the big wooden barges ferrying commodities and supplies were still plying the river but had to take extra care because of the smoke.

More than 1,000 Malaysian fire fighters arrived further north at the port of Dumai in Riau Province on Wednesday to fight blazes in Riau, Jambi and Sumatera Selatan provinces.

Heriberto Rodriguez/Reuters

BAJA BATTERING — Mexican soldiers moving a truck stuck in floods caused by a hurricane on the Baja Peninsula. Officials warned that the hurricane, designated Nora, was moving toward the U.S. Southwest.

U.K. Media Face Stricter Guidelines

Reuters

LONDON — The head of Britain's press watchdog said Wednesday that he expected to see "a pretty dramatic package of improvements" to the newspaper industry's code of practice after the death of Diana, Princess of Wales.

Lord Wakeham, chairman of the Press Complaints Commission, demanded a tighter code of practice after paparazzi photographers were accused of contributing to her death in Paris on Aug. 31 by chasing her car at high speed.

"I am going to make some proposals tomorrow publicly, because I believe that is the right thing to do, and those proposals will be put to the code of practice committee for them to address," Lord Wakeham said Wednesday.

He said he expected a great many editors would adopt his proposals right away, without waiting a month or more for them formally to become part of the code.

"Some of them will be suggestions which will be appropriate to television cameramen and crews as well," Lord Wakeham said to the cameras surrounding him.

John Witherow, editor of the Sunday Times, said: "He has some very good proposals which I think the industry will accept. He has already made several soundings about it, and there is general agreement on what to do."

Changes to the code are due to be endorsed Thursday by the newspaper industry's code of practice committee, chaired by Sir David English, head of the Associated Newspapers group.

At a meeting with 12 newspaper editors on Sept. 17, Lord Wakeham said the watchdog would also aim to tighten newspaper guidelines on questions of privacy, harassment, treatment of children and intrusion into grief.

"All newspapers believe that parts of the code have to be tightened and action has to be taken against the paparazzi," Mr. Witherow said. British newspapers have already promised either not to print paparazzi photographs of Diana's sons, Prince William, 15, and Prince Harry, 13, or else not to breach their privacy with unauthorized photographs.

Despite repeated calls for a press law, the U.K. media remains self-regulating.

RUSSIA: *Yeltsin Orders Curbs on Reforms*

Continued from Page 1

fare. All this was in the name of liquidating the Soviet Union and the Communist system.

Now, it appears that Mr. Yeltsin is set on putting Russia into workable form.

But it will not be easy. Big business and banks, creations of Mr. Yeltsin himself, resist paying taxes and market prices for remaining government-owned resources. Corruption appears to be entrenched in all levels of Russian officialdom. Regional governments ignore orders from Moscow. The military machine is in tatters.

Despite rosy predictions, the economy remains stagnant in most parts of Russia. Declining public health has sharply reduced male life expectancy, while birthrates have shrunk as parents resist bringing children into hardship.

Nationalist and Communist opposition groups are threatening strikes and demonstrations for autumn.

In his speech, Mr. Yeltsin focused on four issues: the economy, corruption, the need to exercise some central political control over regions and the need to deliver government services.

He offered few specifics on the future role of government in business, except to say that the state will perform a regulatory function.

He promised that there would be no return to a planned economy.

"In itself, the market is not a cure-all. In any civilized state the market mechanism and state regulation work in harmony," he said.

In the last few months, his government has signaled the shift from the period in which crushing the old order was its main concern.

Mr. Yeltsin's chief economic adviser, Anatoli Chubais, pledged to sell the remainder of state-owned oilfields, industries and other businesses at market prices rather than by rigged and cut-rate bidding designed to speed privatization.

Mr. Chubais also announced plans to end the cozy arrangement between the government and large banks in which the banks hold government deposits — a huge source of revenue and investment funds. The government also collected some taxes from large monopolies, including the natural gas giant Gazprom.

Mr. Yeltsin took a stab at reducing corruption by ordering government officials to declare their incomes. By most accounts, those who complied wildly underreported their earnings. Many officials ignored the call altogether.

Mr. Yeltsin also announced a long-term plan to slash military troop levels while modernizing the country's ragtag forces. He paid off back wages and pensions to thousands of state employees and retirees, although it is uncertain that within a few months the government will not again owe millions of dollars.

KIM: *Front-Runner in Vote*

Continued from Page 1

in Korean history that an opposition leader had been elected president. South Korea has had reasonably free elections in recent years, but the same pattern has emerged here as in Japan and Taiwan: One party dominates the government and is nagged by an opposition that is free to speak but usually unable to win the top post.

"In the 50 years since we became an independent country, we've never had a peaceful transition of the government, in which an opposition party became a ruling party," Mr. Kim said during a long conversation in his office in the National Assembly.

"For that reason, the government became corrupted and static, and reform cannot be implemented," he added.

It is a sign of South Korea's increasing maturity as a democracy that Mr. Kim could almost certainly take office if elected. In the 1987 campaign, army officers warned that they might be forced to stage a coup or even kill him if he were chosen president. But now, by all accounts, the army would — if a bit grudgingly — accept him as the country's leader.

The secretive Agency for National Security Planning would have to make adjustments if Mr. Kim is elected, such as spying for him instead of on him. Mr. Kim, who believes his phones are still wiretapped along with those of many other Koreans — a charge that almost everybody finds credible — says he would like to restructure the intelligence agency to curb its domestic spying. Nevertheless, even the agency could probably accept Mr. Kim as president.

"I don't think that the people at the agency are too afraid of him," a prominent Korean official said. "They think they can handle anybody."

While Mr. Kim is now the front-runner, some experts still regard his election as unlikely. At the last minute, voters may rally around the ruling party candidate. A large number of South Koreans worry that Mr. Kim is soft on communism, or is a demagogue or is simply an old man whose time has passed.

He is 71. But he said: "For 6 years I was in prison and for 10 years I was held under house arrest and exile, so those 16 years should be deducted. Then I'm only 55."

However, the governing party suggests that Mr. Kim is lying about his birth date and that he is actually a couple of years older. Indeed, at times Mr. Kim has indicated that he is actually 73.

Another of Mr. Kim's fundamental challenges is that, as his critics see it, he has been reduced to being a regional candidate from his native Cholla area, which is in the southwestern part of the country and is stigmatized as being poor, uncouth and unruly. Many respectable Korean families would be appalled if their daughter were to try to marry a man from Cholla, and they sometimes feel the same way about voting for a candidate from Cholla.

In the last presidential race, in 1992, Mr. Kim received 90 percent of the vote from the Cholla provinces and just 27 percent in the rest of the country — many of those coming from people who had migrated from Cholla. The bedrock of support from Cholla and from devoted loyalists around the country means that Mr. Kim is likely to receive about one-third of the overall vote nationwide, and that could be a plurality if the rest of the vote is split among the three or four other major candidates.

Partly because of his search for middle-class votes, Mr. Kim has moderated his views in recent years. As head of the main opposition party, the National Congress for New Politics, he is more sympathetic to workers and to a government role in rescuing failed enterprises than the governing New Korea Party is, but the differences in policy between him and the other candidates are much less than they were before.

NURSES: *Conviction Stirs a Saudi-British Conflict on Values*

Continued from Page 1

report, saying that their client had not waived rights to demand the death penalty.

The two women were charged with stabbing their colleague to death on Dec. 12, and then using her credit card to get money from her bank account the following day.

Ms. Gilford was found in her room at the King Fahd Military Medical Complex, where all three nurses worked, in the eastern city of Dhahran. She had been stabbed 13 times.

Saudi authorities said the two nurses confessed to the crimes and had signed documents to that effect, before retracting their statements.

Lawyers and relatives of the nurses said the confessions were forced, involving threats of sexual assaults. The Saudis deny this, saying the two confessed willingly after being caught with the victim's credit card.

Saudi Arabia has a strict code that imposes death by beheading for murder and drug smuggling. So far this year, 107 people have been beheaded in the country, including at least two non-Western women. But there is no known precedent for the execution of a Western woman.

The British foreign secretary, Robin Cook, vowed that he would do everything possible to prevent such a development. Describing the sentences as "wholly unacceptable in the modern world," Mr. Cook warned the Saudis of a serious backlash if they were not rescinded.

The conflict is complicated by long-simmering Saudi complaints that Britain gives a haven to vocal opponents of the Saudi regime. Also, there is sensitivity about appearing to apply differing standards of justice to Western expatriates than to Saudis and Third World expatriates.

But public pressure in Britain is mounting. The tabloid Daily Mail appeared to sum up widespread sentiment, in the media at least, when it commented above a full-page picture of two Saudi soldiers flogging a person: "Can Blair Let This Happen."

With the nurses, the Saudis employed the full sweep of their complicated religious justice system, with its multiple appeals, in a way that is not normally granted in less-publicized cases. The sentences now go to a still higher court of five judges. If confirmed again, they go to the king for final approval.

The Saudi ambassador to Britain, Ghazi Alghosaibi, said Wednesday that although the judicial process was not over yet, the Saudis would carry out the sentences if confirmed.

"We are not going to change our system or our customs to appeal to journalists or bleeding-heart liberals in the media all over the world," he said, adding that he was surprised that British officials and the media sought to "demean our Islamic judicial system."

A Labour member of Parliament, Ann Clwyd, said: "These extreme punishments are imposed after trials which everybody knows are not conducted in accordance with internationally accepted judicial standards."

A high Saudi official, speaking in a telephone interview, said: "We have executed Indians, Pakistanis, Filipinos, Egyptians and, of course, Saudis. Why should they be spared if they are guilty? Why should anyone in the West want them to be spared if they killed?"

ALGERIA: *Islamic Group Declares Truce*

Continued from Page 1

Mr. Zeroual has blamed "terrorists" — his habitual term for the Armed Islamic Group — for several massacres over the past month that have left several hundred people dead. The most recent, early Tuesday, took at least 85, and perhaps as many as 200, lives in the eastern Algerian suburb of Baraki.

Confirming reports from American diplomats that peace talks between the military-backed government and its forces had been going for some time, the Army of Islamic Salvation blamed the massacres near Algiers on those determined to undermine this "detente." It said contacts "for the return of security and stability" had been "going on for a long time."

The statement did not identify the forces opposed to this process beyond saying they were the "enemies of yesterday and today." This appeared to be a reference both to those in Algeria's military establishment who oppose any compromise with the country's Islamic insurgency and to the extremist Islamic guerrilla groups that have fallen out with the Islamic Salvation Front.

The call for a truce thus appeared designed to prevent hard-liners in the government or extremists in the Islamic movement from causing further bloodshed, or at least to expose their responsibility with more transparency in the event of further massacres.

In the chronic opacity of the Algerian conflict — one fostered by a secretive government wary of foreign mediation — a pattern now appears evident in the events of the past two-and-a-half months.

The central event was the release July 15 of Abassi Madani, a leader of the Islamic Salvation Front who had been in military prison for six years. Once Mr. Madani was released, however, opposition to this political dialogue seems to have burst into the open. The opposition, diplomats suggested, lay both within the government, where the chief of the general staff, General Mohammed Lamari, is known to reject all negotiation, and in extremist Islamic movements determined to pursue an armed insurrection.

How exactly these two forces interacted to produce the series of massacres in the Algiers region is unclear. But some of the killing, notably on Aug. 29, when as many as 300 people may have died, took place close enough to military barracks outside Algiers to suggest that there was the acquiescence, if not the connivance, of factions close to the army.

If the government's broad approval of the Islamic Salvation Front's appeal was clear from the unusual attention given to it by state television Wednesday, it remained unclear how the hard-liners in the government and the Armed Islamic Group would respond.

"Some of the violence is so wild and so autonomous that the appeal for a truce may have no immediate effect," said Benjamin Stora, a French historian. But he added that "this gesture formally reopens political channels that had appeared for a long time to be closed."

The secret talks between the Front and the government and the unilateral appeal for a truce appeared to demonstrate that the balance of forces in the Algerian conflict has changed over the past two years. Broadly, the government feels stronger and the Front is weaker, both militarily and politically.

In a January 1995 meeting in Rome, the Islamic Salvation Front and several other Algerian political parties called for the "alternation of power through universal suffrage," the "nonintervention of the army in political affairs" and the "rejection of violence as a means to acceding to or maintaining power."

But this declaration, combined with an offer of "genuine dialogue," was rejected by the government, which then held fast to the position that the Islamic Salvation Front was banned and, as such, could not be an interlocutor in the quest for peace.

Since then, however, government forces have stepped up their war against the Islamic guerrillas, large swathes of the population have become more isolated from the Islamic Salvation Front and a new constitution has virtually guaranteed the president enduring power while installing a veneer of democracy.

But the growing violence in the country shows how unstable it is. With local election looming in one month, a critical period appears to have begun. More violence would make Mr. Zeroual increasingly vulnerable. In the wake of the truce declaration, he now faces a critical choice. Should he lift, or ease, the ban on the Islamic Salvation Front and risk further anger among hard-liners in the army? Or should he persist in a policy that has only brought more war?

DEAL: *Travelers and Salomon to Form Financial Powerhouse*

Continued from Page 1

tive than the hard-driving Salomon corporate culture. Mr. Long said, although Salomon's proprietary bond-trading operations were obviously one of the reasons the firm was attractive.

Mr. Weill was prominent on Wall Street in the early 1980s, when he sold Shearson Loeb Rhoades to American Express Co.

Mr. Weill was president of American Express for a time, but then left and began a string of acquisitions of financial companies.

In contrast to Mr. Weill's cautious management of his companies, Salomon is known for an aggressive style that has caused problems at times, although it has also led to substantial profits. The firm was hit hard by losses in its mortgage-securities division following the 1987 stock-market collapse, and it obtained $700 million of capital from Berkshire Hathaway Inc., the conglomerate controlled by Warren Buffett. Salomon's troubles were compounded in February 1991, when it improperly bought most of an issue of Treasury bonds at auction, then executed a similar maneuver in May of that year.

After the transactions came to light and the government began legal actions, Mr. Buffett took control of Salomon, eventually installing Robert Denham as chairman of the parent Salomon Inc. and Deryck Maughan as chairman of the Salomon Brothers securities unit. Mr. Denham said Wednesday he would leave Salomon after the takeover, but Mr. Maughan will be co-chief executive of Salomon Smith Barney and vice chairman of Travelers. Mr. Maughan is to be joined by James Dimon, the current Smith Barney chairman, as co-CEO of the merged concern.

At the end of last year, Berkshire Hathaway owned 10.31 million, or about 9.4 percent of Salomon's shares, and additionally held 420,000 preferred shares convertible into about 11 million shares of common stock.

One reason that Salomon was attractive to Travelers was that it was relatively inexpensive. This month, before rumors surfaced that Travelers was on the prowl for an acquisition, Salomon's stock price was seven times its annual earnings per share, a relatively low valuation.

Under the takeover announced Wednesday, Salomon shareholders are to receive 1.13 shares of Travelers stock for each of their shares. With Travelers' shares closing at $69.4375 Wednesday, down $2.5625, the offer is worth $78.46 for each of Salomon's common shares. According to the company's most recent annual report, there were 120.9 million shares either outstanding or available through conversions of other securities, so the deal would be worth about $9.49 billion. Salomon's common stock closed at $76.75, up $5.25.

Travelers said it expected to close the deal before the end of the year and that it would take a restructuring charge of $400 million to $500 million, which would include severance charges. Mr. Long said there would inevitably be layoffs, but he said Mr. Weill had a history of keeping the better of two units or employees where there was an overlap, even if that meant laying off workers at the acquiring company.

BOSNIA: *France Backs a U.S. Official's Call for New NATO Force*

Continued from Page 1

maintaining peace in the Balkans.

France and Britain have said they would pull their troops out of Bosnia if the Americans withdraw.

The comments by Mr. Berger, Mr. Cohen and others appeared to be aimed at persuading the public and Congress of the need for a continued presence.

Some lawmakers are now saying they are concerned about the potential costs, in money and in lives, of a prolonged role in Bosnia. Many say they fear that the attempt to establish a unified and multiethnic state are doomed to fail.

"We will support the forces in the field if the commander in chief insists on keeping them there," Senator Ted Stevens, Republican of Alaska and chairman of the Appropriations Committee, said Wednesday. "But it's going to be very difficult to keep the troops beyond July 1, 1998, if there is a way out."

A pending military spending bill would give Mr. Clinton the authorization for continued expenditures in Bosnia only if he explains the need for a new follow-on force.

Mr. Berger sought to explain that need in blunt terms, warning of possibly calamitous results should NATO leaves too soon. "If Dayton fails," he said of the peace accord signed in Ohio, "Bosnia will almost certainly slide back into conflict, potentially leading to a wider war in southeastern Europe."

In Brussels, meanwhile, NATO ambassadors decided Wednesday to delay a decision on a reduction or withdrawal of the peacekeeping force, Agence France-Presse quoted an official as saying.

The Clinton administration has been vague about what type of presence it might employ after June.

In July, Mr. Clinton spoke of the possibility that the U.S. military might need to remain in Bosnia in some form after June 1998. "I believe the present operation will have run its course by then, and we'll have to discuss what, if any, involvement the United States should have there," he said.

The administration has discussed shifting troops to Hungary or Italy, where they would be available to move quickly back to Bosnia in support of European troops in the event of a crisis.

Republicans in Congress have pressed Mr. Clinton to come up with an "exit strategy." And many have insisted that the fighting in Bosnia cannot be permanently ended without a de facto partition of the ethnically divided state.

But Mr. Berger said that partition would mean "ratifying the worst ethnic cleansing in Europe for more than half a century." He added, "We should not give up on justice and reward aggression."

INTERNATIONAL

Alberto Lowe/Reuters

PACKING IT IN — Harvey Cole, a sergeant at the U.S. Southern Command at Quarry Heights, Panama, packing boxes as the command prepares to move to Miami at the end of the week, ending 83 years in Panama.

BRIEFLY

Brazzaville Shelled Before Key Speech

KINSHASA, Congo — Fresh shelling rocked the Congolese capital, Brazzaville, on Wednesday after a particularly intense overnight barrage, witnesses said.

They added that the shelling in the capital of the oil-producing former French colony was only sporadic Wednesday.

The outbreak preceded an expected policy statement by Prime Minister Bernard Kolelas, who formed a unity government in an attempt to end the three-month conflict.

Although the Congolese state radio has been reporting that Mr. Kolelas will make the statement Thursday, there was doubt over the timing.

A French political analyst across the Congo River in Kinshasa said that half of the new cabinet ministers were in Paris, adding that the policy declaration could be postponed. *(Reuters)*

Mandela Visits Prison

ROBBEN ISLAND, South Africa — President Nelson Mandela returned Wednesday to this former prison, where he spent 18 years behind bars, to declare it a museum and symbol of hope and reconciliation.

Mr. Mandela, on South Africa's Heritage Day public holiday, also declared the small island off Cape Town a national heritage site.

"Robben Island is a vital part of South Africa's collective heritage," he said at a ceremony in the prison dining hall.

The island, he added, had been a place of pain and banishment for centuries, but had now become a symbol of triumph. The question, he said, was how best to give expression to the history of an island that served over the centuries as a leper colony, insane asylum, defense base and, most recently, prison for opponents of the former apartheid regime. *(AFP)*

U.S. Pursues Mexican

WASHINGTON — Armed with a sealed indictment, U.S. officials stepped up the pressure Wednesday on Mexico's most violent drug kingpin by offering a $2 million reward for his capture and adding him to the FBI's most wanted list.

Ramon Arellano Felix, 33, the head of security for a gang run by five brothers, is charged with drug conspiracy in a sealed federal indictment, officials said, speaking on condition of anonymity.

"He and his associates are also responsible for directing numerous murders in Mexico and the United States," said the head of the Drug Enforcement Administration, Thomas Constantine.

He added that the Mexican sets the price of cocaine in many communities throughout the United States. *(AP)*

Professor a Plagiarist

TORONTO — Ruling that a professor at the University of Ottawa had plagiarized a student's paper, an Ontario court has ordered the university and the professor to pay the former student $7,500 in damages and to reimburse legal costs.

The trial judge ruled that Professor Jimming Lin, who teaches business, submitted a 1991 paper by one of his students as his own work at an academic conference, sold it to other students for $9 a copy as a class handout and even planned to use it in his application for promotion from assistant professor to associate professor. Mr. Lin received tenure in 1992.

A University of Ottawa spokesman, Helene Carty, called the case "regrettable" and said that the university planned a review. She declined to comment on whether Mr. Lin's status would be included in the review. *(NYT)*

Viscount Tonypandy Dies in Wales at 88

By Warren Hoge
New York Times Service

LONDON — Viscount Tonypandy, 88, a former speaker of the House of Commons whose cry of "Order, order!" in his distinctive lilting Welsh accent became a British catchphrase, died Monday in Cardiff, the Welsh capital.

Formerly George Thomas, he was created Viscount Tonypandy when he joined the House of Lords in 1983.

He became speaker of the House of Commons in 1976 but remained as obscure as his 162 predecessors until April 1978, when parliamentary debates began to be aired on the radio.

His shouted pleas for calm were the signature opening for each day's broadcast on the BBC, and soon he became the first occupant of the august old post to receive fan mail.

Elected to Parliament in 1945 as a Laborite in a district in Cardiff, he had a modest career in the House and was initially disappointed when Prime Minister Harold Wilson put him in line for the speakership instead of making him a senior member of his government.

But he turned out to be better at bringing rowdy backbenchers into line in his new position than anyone had imagined.

He put to good use his training in scolding boys as a schoolteacher, a bent for theatrical presentation learned in the pulpit as a lay Methodist preacher and an iron self-discipline stemming from his experiences as a temperance leader.

Avuncular rather than domineering, he was adept at the well-timed humorous aside to cut tension. When a Tory member once challenged his refusal to permit a question, by noting that the subject had been written about in that morning's newspaper, the speaker replied, "So was my horoscope, and we're not discussing that either."

He was born on Jan. 29, 1909, in the Welsh town of Port Talbot, one of five children of an alcoholic miner named Zacharia Thomas who deserted the family in George Thomas's youth.

He won a scholarship to University College, Southampton, and on graduation went to London and became a schoolteacher.

In the evenings he often visited the galleries of the House of Commons, listening to debates and beginning an enduring enchantment with the institution that he was later to refer to frequently as "the bastion of democracy."

Herbert Blyden, 61, Civil Rights Activist

NEW YORK (NYT) — Herbert Blyden, 61, a jail-hardened, prison-educated civil rights activist who gave eloquent voice to 1,200 beleaguered inmates as their chief negotiator during the 1971 uprising at the state prison in Attica, New York, died Sunday at a hospice in Buffalo, New York, of prostate cancer.

Mr. Blyden read Schopenhauer, Santayana and Hermann Hesse, not to mention all the works of B.F. Skinner and enough legal texts to make him a recognized jailhouse lawyer before the Attica rebellion.

He was serving a sentence of 10 to 15 years for armed robbery when the prison revolt broke out September 1971. He escaped major injuries in an all-out assault ordered by Governor Nelson Rockefeller after a five-day siege.

8 U.S. Diplomats Returning to Sudan

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The United States is sending diplomats back to Sudan, 19 months after pulling all American employees out of the U.S. Embassy there for security reasons, the State Department has announced.

The move does not reflect an improvement in relations with the African country, officials said, but instead signals the start of an upgraded diplomatic campaign to increase pressure on its militant Islamic regime.

Secretary of State Madeleine Albright ordered the return of eight midlevel diplomats to the Khartoum embassy as "part of an intensified diplomatic effort to change the behavior of the Sudanese government," a State Department official said.

"We want to ratchet up the pressure on Sudan to respond to the demands of the international community on terrorism, human rights and the civil war in southern Sudan," the official said.

Sudan is on the State Department's list of countries that it says sponsor international terrorism. Washington has long viewed the Khartoum government as an ally of Iran in promoting regional unrest, encouraging terrorism and opposing peace between Israel and the Arabs.

In Washington's view, Khartoum is a source of trouble across east and central Africa, notably along Sudan's southern frontier where non-Muslim countries are supporting an insurrection against the Islamic regime.

In February 1996, the State Department announced that it was withdrawing all U.S. staff from Khartoum because the Sudanese government could not guarantee their security. Diplomatic relations were not formally severed, however, and the embassy has remained open, staffed by Sudanese employees.

Ambassador Timothy Carney has been living in Nairobi and flying into Khartoum monthly to conduct official business. He will remain in Nairobi, but the security situation in Khartoum has improved enough to allow the eight midlevel diplomats to be posted there, a State Department official said.

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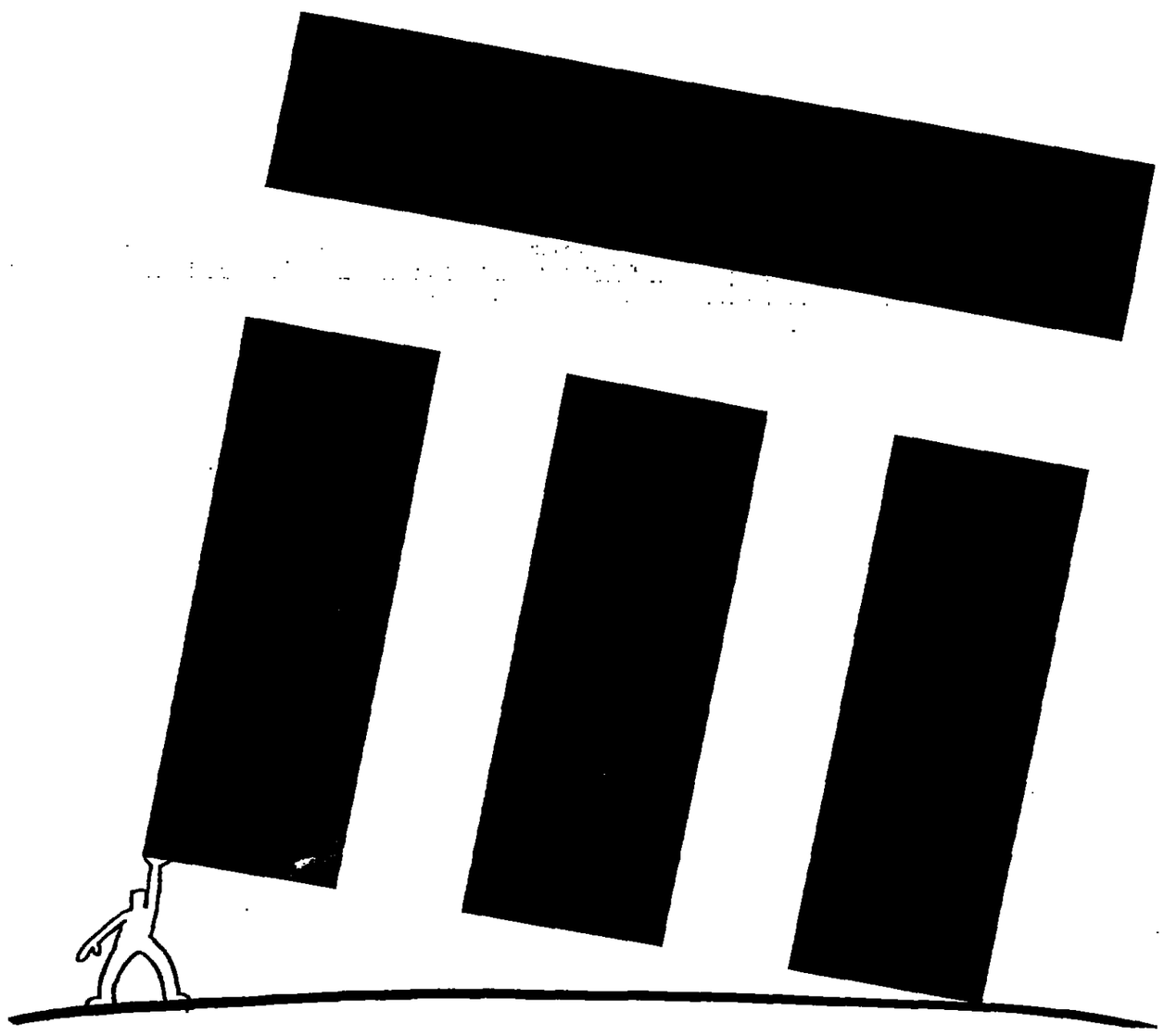

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TURKEY: BUSINESS UPDATE

Once again, Turkey is back on track as a secular society with a free market economy. Last summer, Mesut Yilmaz took over as prime minister after months of wrangling between the military and the Islamic prime minister, Necmettin Erbakan, who resigned. It was a soft, bloodless coup. Mr. Erbakan, whose tenure lasted just a year, became controversial by promoting Islam in civil society and choosing Middle East friendships without due care. The generals, who regard themselves as the guardians of the principles of Ataturk, who founded the modern state of Turkey in 1923, thought that Mr. Erbakan's plan for Turkey to head a new Islamic order in the Middle East was inappropriate.

Mr. Yilmaz, leader of the pro-business Motherland Party, has formed an unlikely coalition government with the Democratic Left Party (DSP), led by Bulent Ecevit as his deputy, and the Democratic Turkey Party. Mr. Yilmaz, who has inherited spiraling inflation, a runaway budget deficit and rapidly increasing foreign debt, is determined to get Turkey back on the right track. He wants to stabilize the economy, encourage private enterprise and woo more foreign investment. He has also reaffirmed Turkey's commitment to joining the European Union.

State Minister Takes Reins, Promotes Market Economy

The government has plans to tame inflation and reduce unemployment.

According to Günes Taner, the new minister of state for the economy, Turkey is in a vicious inflation circle, with an annual inflation rate at the end of August of around 85 percent. The previous government sought unsuccessfully to reduce inflation to 57 percent.

When the current government was formed last summer, unemployment among the young had risen sharply, domestic borrowing had doubled, foreign loans had leapt by $2 billion and the chance of a balanced budget "had vanished even before the end of the first half of the year," says Mr. Taner. "The long-lasting high level of inflation, which has discouraged investment and led to higher unemployment, has seriously contributed to the deterioration of income distribution."

AFP PHOTO

Mesut Yilmaz, Turkey's pro-business prime minister.

Unemployment is affecting the political, social and economic life of the country. "We estimate the unemployment rate among our young people to be 23 percent. This means that one in four young persons of working age in this country is out of work."

Mr. Taner adds that insufficient income distribution in a society where the upper classes continue to gain at the expense of the lower-income groups is a threat "not only to the economic, but also to the social, stability of the country."

Last year, GDP growth was 7.1 percent, and for the first six months of this year, it was 6 percent (compared with 8.8 percent for the first half of 1996).

"This gives us a clue to the slowdown in the economy," says Mr. Taner. The balance-of-payment figures for the first quarter of 1997 were in line with expectations. The current account deficit, which had reached $4.4 billion at the end of 1996, was $1.3 billion for the first quarter of 1997.

On the domestic front, the budget deficit at the end of July was 978 trillion liras ($5.77 billion), and the estimate for the end of the year, according to Mr. Taner, is more than 2 quadrillion liras — "which means that a supplementary budget is inevitable."

There will be increased financial discipline in public spending and the use of public resources: "Utmost importance will be given to transparency in the budget."

This picture of Turkey emphasizes the severe economic pressure that the country has been under and shows the need for urgent government action.

OZERMIR/SHUTTERS

Günes Taner, the minister of state for the economy.

"The new government is fully committed to a market economy and will try to ensure, both domestically and internationally, that state intervention in the market will stay at minimum level. This will permit free market forces to determine the course of action," explains Mr. Taner.

He says that 1998 will be an important year in many respects. The new government has to foster the will to achieve reasonable economic growth and to restrain inflation while, at the same time, launching structural reforms for long-term stability.

"Our fundamental aim is to establish lasting macroeconomic stability and introduce a sustainable and continuous period of growth in that environment . . . these issues remain our primary objectives in government policy." Mr. Taner affirms.

Decisions and transformations

The government will have to make courageous decisions and drastic transformations in many fields. Coordinated efforts will be needed to reduce the public deficit, which, Mr. Taner says, is the main cause of inflation. Major government agencies have to be restructured to eliminate negative pressures on inflation.

As part of the new strategy, the Turkish Central Bank and Treasury signed an agreement limiting short-term advances by the Central Bank. This gives the Central Bank the freedom to set short-term interest rates and apply an effective monetary program next year. Mr. Taner says that Turkey has had to pay a heavy price for misguided policies in the past.

"We will not keep on repeating the same mistakes. The very first thing on our list is to redefine the place and role of the public sector. A modern state is described as one containing itself within the boundaries of the basic functions of statehood and providing more room for individuals to act. Today, the colossal nature of the state slows down the system. We must establish a strong state instead of a 'colossus.'"

Avoiding impediments

Mr. Taner believes that the private sector and initiative have to be revitalized. There must be stricter and more effective supervision of discretionary spending by the public sector "and a more reliable legal regulatory framework."

Finally, he says, the government has to guide and support business and economic entrepreneurship: "The government must not create impediments in front of every initiative." ●

Appliances Go Abroad

"When visitors from America or Europe come here and visit our factories they are so surprised; they cannot believe what they see," says Erol Sabanci, vice chairman and managing director of AKBANK, one of Turkey's largest private banks.

Typical of those factories is the Arcelik refrigerator and washing machine plant on the Asian outskirts of Istanbul. In 1995, it produced 2.1 million units, and last year's production was nearly 3 million units. Its production plant and research and development facilities are among the most advanced in Turkey. It is one of Turkey's largest private companies (part of the Koc Group), with a turnover of $1.1 billion in 1995.

"We are the sixth largest producer of white goods in Europe and the 12th in the world," says Mehmet Ali Berkman, general manager. Since the European Customs agreement, which came into force at the beginning of 1996, the company has challenged the established giants of the refrigerator and washing machine world — Miele, Westinghouse, Kelvinator, Frigidaire and General Electric. With 3,250 employees in five plants throughout the country, 10 percent of production — worth between $80 million and $85 million — is exported. "Our main markets are Britain, France and North Africa. We also sell to other European countries, and about 7 percent of our exports go to the United States," says Mr. Berkman.

Beko, one of its best-known export brand names for refrigerators, is marketed in Turkey under the Arcelik name. The company also produces split air-conditioners, washing domestic cleaners and small household electrical appliances. ●

Turk Telecom, the Crown Jewel, to Be Sold

The jewel in the crown of Turkey's privatization program is Turk Telecom, which has been the subject of many years of wrangling between successive governments. The constitutional court cleared the way for the sale early this year. New York investment bank Goldman Sachs has been appointed to prepare the sale, which the government hopes will eventually raise $10 billion.

Necdet Menzir, minister of transport and communications, reportedly said that the first part of the sale would take place next January. Before that, he said, the government needed to pass a law allowing Turk Telecom to be changed into a corporation; he said this would be done by the end of the year. Before Ugur Bayar, the new head of the Privatization Administration (part of the prime minister's office), was appointed last August, his acting predecessor, Yalcin Atli, called the sale of Turk Telecom "the linchpin of privatization in Turkey."

The PA says that since the new government took over in June, more than $121 million worth of privatization sales have been approved. The previous government said that it had approved $881 million worth of privatizations since the beginning of the year. Last week, the Supreme Privatization Council approved the sale of another $162 million worth of companies, including four insurance agencies. Sales totaling more than $3 billion have been made since 1984. What appears to have been an over-ambitious target of $5 billion had been expected by the end of this year.

Ugur Bayar, new head of the Privatization Administration.

Some of the most recent privatizations include the sale of Eregli Iron and Steelworks (Erdemir); Deniz Nakliyat, a state shipping company; a tire manufacturer; and a number of cement plants. One of the largest sales — still being finalized — is of the state-owned Etibank. Part of the sale has been completed.

Oil and gas distributor POAS is to be ready for privatization next year, according to General Manager Mehmet Gultekin, following a direction from the prime minister. Nonoperating assets are expected to be in the first part of the package.

POAS's profits are expected to rise sharply this year, to well over $120 million. Total capitalization of the company is estimated to be around $1.2 billion. Other important sales in the oil sector under negotiation by the PA include Petkim, which includes a petrochemical complex, and refineries operated by Turkish Petroleum Refineries Corp. Oil sector sales are expected to raise more than $3 billion.

Privatization is also affecting the tourism sector. Turban Turizm owns a holiday resort complex at Marmaris and Ackay. ●

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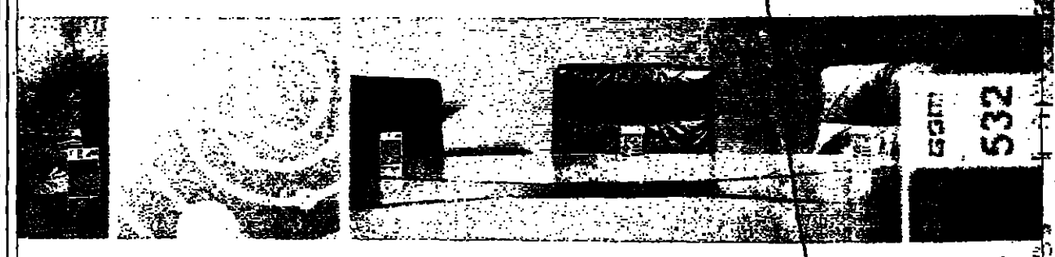
Let's talk Turkey!



The utilization of SIM card in Turkey has procured a tremendous increase amounting to 300% from 1994 to the end of 1995 under the leadership of Turkcell, with the company having enjoyed an immense appeal and a substantial expansion to vast masses. Faced with such egregious appeal, Turkcell, both with its sound partnership structure and certified investments and its flawless service quality has attained a figure of 950.000 subscribers, not only securing a leadership position in the SIM card sector but also turning out to be one of Turkey's most thriving companies regarding the last three years. At the hand of Ericsson technology and Telecom Finland know-how, Turkcell is supplying services in 58 countries on 4 continents and in 78 provinces of Turkey by means of 12 switches and over 4000 TRX... Determined to consummate its investment of more than $550 million by the end of 1997, Turkcell has plunged at full pace into increasing its line capacity through partnership of 34% Telecom Finland, 31% Çukurova Holding, 15% Ericsson, 14% M.V. Telekomünikasyon and 6% Bilka. Providing the best service in Turkey and possessing the most capacious coverage area, Turkcell, as is the case presently, is to be the future leader of GSM network operators.

Let's talk Turkey is a byword related to business meaning 'let us speak frankly and ingenuously'. Should you wish to remain frank and ingenuous when you speak, then you may well call Turkcell.

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TURKEY: BUSINESS UPDATE

TEXTILE CENTER SUPPLIES THE WEST

From Saks to Harrods to Galeries Lafayette, those towels may be made in Turkey.

One of the leading companies in the Turkish textile sector is Uslu Holdings, which employs 3,500 people. It holds a 27 percent share of all Turkish towel exports to the European Union and a 17 percent share of exports to the United States. Textiles make up 35 percent of all Turkish exports.

This hooded bathrobe comes in various colors and patterns.

Since the company began operations in 1980 in Denizli, a leading provincial textile center, it has achieved remarkable growth.

"When I began in the city, there was no real industrial textile business, only a collection of small workshops. . . We had 1920s technology," says Abdulkadir Uslu, the company's chairman. Development was hampered by the absence of a market economy at the time. It was not until Turgut Ozal became prime minister in 1983 and began reforming the system that private industry started to expand. The company carried out extensive research in Europe and North America, and decided to focus on the towel market. The production of towels, some of which are the finest in the world, has always been a traditional product for textile mills.

"We decided to become export-oriented, and today we have a very big market share in the United States and Europe. While most manufacturers were looking for new markets in the East, we chose to look toward America because we thought that Western markets were likely to have stronger and more stable economies," says Mr. Uslu.

Consequently, the company embarked on a major production overhaul: "We virtually moved overnight from 1920s technology to that of the 1990s, which led to a huge growth in production, making Denizli one of the world's biggest players in the toweling market. Because of its position as a market leader in the export field, we were never really affected by Turkey's economic decline or stability in the intervening years."

Exports rose from about $175,000 in 1980 to $100 million last year. Mr. Uslu says that, in many respects, the growth reflects the economic growth of the country.

Last year, the group produced 1.6 million bathrobes, 10.2 million towels and 800 tons of cloth.

"This year will be even better than 1996," says Mr. Uslu.

He attributes the success of the company to its flexibility and to its institutional attitude toward work.

"We give importance to quality; we adapt to new technologies; and we provide a comfortable, peaceful working environment in our companies . . . and we have also become an engine for growth."

Four successful divisions

Uslu Holdings consists of four main divisions. Towels are produced by Tumteks in Denizli and go to key customers in the United States and Europe, including leading merchants like Saks Fifth Avenue in New York, Galeries Lafayette in Paris and Harrods in London.

Two other factories are also located in Denizli: Boyasan Tekstil Sanayi, which carries out dyeing, bleaching, printing and finishing; and Kutsalteks, which produces high-quality dyed yarn and jacquard fabrics.

The remaining arm of the group is Teksport, established in Istanbul three years ago. This is Uslu's entry into the garment industry. It produces all kinds of cotton wear, and its customers already include leading brand names such as Nautica, Wal-Mart, Lane Bryant, Hennes & Mauritz and Littlewoods.

Mr. Uslu comments on the significance of the annual Aegean cotton crop, which, 20 years ago, had its price fixed each Monday when the cotton market opened in Denizli. This year, a cotton futures market is planned in Izmir.

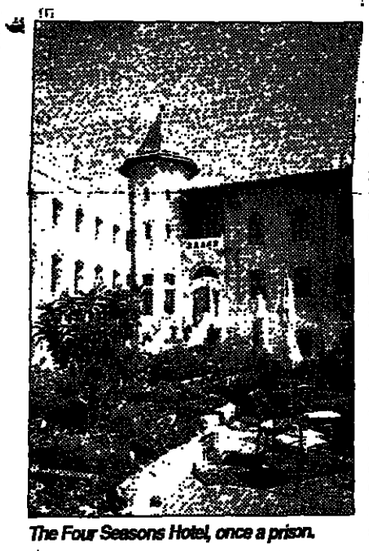
"This will enable our textile producers and ready-to-wear garment makers to buy their raw materials at world market prices," says Mr. Uslu. "It will bring international quality to the market and will see the start of a new era for the cotton industry." ●

Abdulkadir Uslu, chairman of Uslu Holdings. The company's main factories are located in Denizli, a leading provincial textile center.

HOTELS FIT FOR A SULTAN

Both new and refurbished buildings offer comfort and a luxurious atmosphere.

Not many people would pay to spend a night in prison. But you can do just that if you are going to Istanbul, where visitors are spoiled for choice as new and refurbished hotels dot the city map. They range from the centrally located Ceylan Inter-Continental — formerly the Sheraton and now the flagship hotel of the Ceylan Holding group — which has been open for only one year, to the unusual Four Seasons hotel, a converted prison located near the Topkapi Palace.



The Four Seasons Hotel, once a prison.

Ceylan spent $30 million renovating the old hotel in Taksim Square. The hotel now has some of the plushest 390 rooms in town, all marble and gilt.

The hotel is a favorite with business travelers.

"Istanbul is fast becoming one of the most popular international congress and exhibition centers," says Jorgen Jorgensen, general manager.

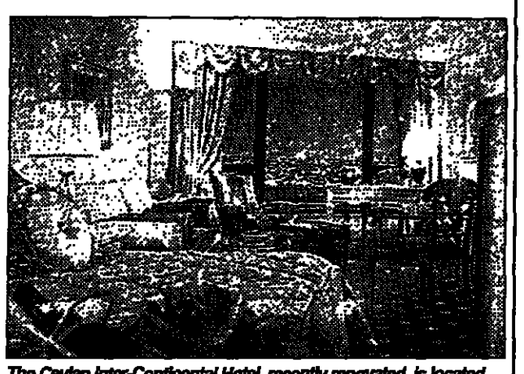
There is also a Ceylan Inter-Continental in Turkey's capital, Ankara, and others are planned for Ankara as well as Izmir, an important port and commercial city on the Aegean coast.

Across the street from the Istanbul Ceylan Inter-Continental is one of the oldest established hotels, the Divan, whose coffee shop and outside terrace are popular meeting places for tourists and businesspeople alike. While it may lack the luster of some of the new hotels, its kitchen has always been one of the best.

Traditional Turkish look

One of the newest hotels, also about a year old, is the 65-room Four Seasons, which is small and select and very popular with American visitors.

It has been converted from its prison days with imagination and flair, conserving a traditional Turkish neoclassical look. The original exterior walls and some of the main buildings around a central courtyard have been retained. The extensive use of glass adds light and sophistication to the public areas.



The Ceylan Inter-Continental Hotel, recently renovated, is located on Istanbul's famous Taksim Square.

For rooms with a view and a magnificent panoramic terrace for dining, the Swissôtel The Bosphorus is hard to beat. It is situated on a hillside just behind the historic Dolmabahçe Palace, overlooking the Bosphorus.

For sheer elegance and style, there is the Ciragan Palace, right beside the Bosphorus.

It has a unique outdoor swimming pool on its marble terrace that gives swimmers the illusion of being in the Bosphorus itself. Part of the 300-room hotel is the restored Ottoman Palace, with 12 suites. This is one of Turkey's top venues for business, entertainment and conferences. ●

Business Briefs

● **The stock exchange:** Yavuz Canevi was appointed chairman of the Istanbul Stock Exchange after the sudden death of Tuncan Artun, who, during the last three years, had helped to make the ISE one of the leading exchanges in the emerging markets. Mr. Canevi, who is chairman of Turk Ekonomi Bankasi, was made deputy chairman of the ISE last May.

● **Gold:** Last August saw the start of gold futures trading, with the opening of the Istanbul Gold Exchange. Kaan Aytogu, secretary general of the exchange, said that until now sales had only been in physical gold, which reached record high turnover of 32 tons in July. Mr. Aytogu hopes all participants in the new futures market, including banks and foreign investors, will be able to reduce risks.

● **Airline industry:** Turk Hava Yollari (THY), the national airline, has arranged a $123.5 million credit to buy a fifth Airbus A340. The financing — 85 percent in export credits and 15 percent in commercial loans — was arranged by a consortium that included Crédit Agricole Indosuez, the Banque Nationale de Paris and Dresdner Bank.

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Program Director: Bill Mahder.

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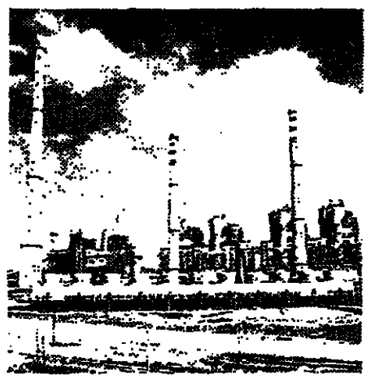

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For further information please contact: Head of Capital Markets Department, İbrahim Hızlıkan Tel: (90-212) 211 18 40 İşbank Capital Markets Department, Maya Akar Center, Büyükdere Cad. No. 100-102 80280 Esentepe-Istanbul / Turkey Fax: (90-212) 211 46 39 - (90-212) 211 06 81 Swift: ISBKTRIS

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Clinton at the UN

President Bill Clinton at the United Nations set out a foreign-policy agenda that mostly illustrates and in some cases sharpens his differences with the less internationally minded Republican Congress. But he is right to set out on the road; there is important work to be done.

On one long-contentious issue, he is now at one with Congress, having been beaten down by Senator Jesse Helms: the financing and reform of the United Nations. Against the secretary-general's urging to pay dues "in full, on time and without conditions," the president defended the American plan to pay in part, late and conditionally (reform the United Nations, cut U.S. dues). He defended it as immutable because it was a bipartisan product. This is a shame and a bad precedent, but at this late point even Mr. Clinton's critics offer no feasible alternative. Ted Turner's smashing gift of a billion dollars gives him only a hint of cover.

The president announced in New York that he will seek Senate ratification of the test ban treaty he signed last year. The treaty is central to arms control efforts that turn out to be quite modest. It has a host of congressional skeptics. Mr. Clinton has sought to calm them with a $4.5 billion program of lab and computer tests — no explosions — to maintain the American arsenal. The program goes right up to the edge of treading on the treaty purpose of preventing nuclear powers "from developing more advanced and more dangerous weapons." Nonetheless, a confrontation with Congress is due.

Mr. Clinton made a couple of other UN-related proposals — to establish a standing war crimes tribunal and to make two developed and three developing countries permanent members of the Security Council. These worthy measures are also sure to offend legislators who, foolishly but persistently, identify international cooperation with a surrender of American sovereignty.

President Clinton took office inclined to take a multilateral approach when possible, a unilateral one when necessary. But difficulties in Somalia, Bosnia and elsewhere revived congressional critics of the world body and forced him into a more defensive posture. Now he is in the awkward position of shrinking American commitments to the United Nations even as he asks it to attend to a lengthening list of global cares. The corrosive argument over whether the United Nations is a multiplier or a subverter of American power goes on. Mr. Clinton emanates a certain belief in the first possibility and conducts policy more in accordance with the second.

— THE WASHINGTON POST.

The Cause of Peace

This is a bewildering moment for the cause of peace. In Northern Ireland, all-party talks are starting for the first time. But the current state of the Middle East peace process, now breathing only with the diplomatic equivalent of a heart-lung machine, shows how hard negotiations can be. Other than surrender, talk may be the only way the world knows to end a war. But some conflicts seem more susceptible to negotiation than others — and some can be pushed in that direction.

Leaders usually begin to talk peace only when violence is at a stalemate. They are generally led to negotiations by their peoples' demand for peace. It also helps if outside backers withdraw their political or financial support for war. Hence the spurt of negotiations after the Soviet Union's fall.

In Northern Ireland's 30-year war, there was no visible end to violence by the Irish Republican Army or Protestant paramilitaries loyal to Britain. But there was a drop in citizen willingness to shield and support violent groups. For years, Northern Ireland's people have formed grassroots groups seeking peace. What made the difference this year was Tony Blair's election as Britain's prime minister. His predecessor, John Major, needed Northern Ireland Protestants' votes in Parliament and could not press them to negotiate.

The general public tends to believe that successful peace negotiations need a Nelson Mandela. If that were true, peace would almost never break out. Usually peace is made by less epochal leaders. No one would take former President Alfredo Cristiani of El Salvador for a visionary, for example. Mr. Cristiani simply realized, with the encouragement of the Bush administration, that peace was good for business.

What is required are leaders who can persuade their own radicals of the need for peace without being dismissed as sellouts. Often the hardest line comes from ethnic groups outside the country. Some of the most intractable Israeli settlers are immigrants from Brooklyn. People in the diaspora often cling to extreme ethnic biases precisely because they have few other links to their heritage.

The need to convince the fringes is one reason leaders often talk toughest right before entering peace talks. It also makes successful peacemakers of those who most vociferously resisted negotiation in the past. A Menachem Begin or an F. W. de Klerk, scion of one of apartheid's leading families, has special credibility to sell compromise.

The more decentralized violence has been, however, the less the leaders' chances of success. Last week's bombing of a police station near Belfast, probably the work of a breakaway IRA group, highlights the problem. The IRA could also dynamite any peace agreement in Northern Ireland. Terrorist groups like Hamas are already devastating to the Mideast peace accords.

Most negotiators become champions of the accords they reach. They have staked their careers on peace, and negotiations themselves increase mutual trust and reduce demonization of the opponent.

Instituting a peace agreement is easiest when done by the negotiators themselves. Much of this psychological advance was lost to the Middle East when Benjamin Netanyahu, long skeptical of the peace accords, became Israel's prime minister.

Both the Northern Ireland and the Middle East conflicts turn on ethnicity and religion, issues that seem much harder to negotiate than disput over politics, ideology or power. ' promise is the essence of poli. but harder to do when people's identity is at stake. When two groups claim historic domination over the same land, it is tricky to split the difference. But it is not always impossible. Most Northern Ireland Catholics, for example, say they do not require union with Ireland. They would be satisfied with equal treatment and more freedom for Irish culture.

Ethnic conflict often comes down to grievances about discrimination, respect and justice, and can be solved by changes that make society fairer and more secure for both sides.

— THE NEW YORK TIMES.

A Reminder for Ramos

Eleven years ago Corazon Aquino mobilized huge rallies to help drive Ferdinand Marcos from office. Lately she has used the same tactic to persuade her presidential successor, Fidel Ramos, to drop the idea of changing the Philippines' constitution to permit himself a second term. Mr. Ramos is no dictator. But the one-term limit is an important democratic safeguard for a country that has so recently suffered from self-perpetuating tyranny.

In his five-plus years in office, Mr. Ramos has done more for the nation and its citizens than both Mr. Marcos and Mrs. Aquino. Mr. Marcos's corrupt economic management and outright thievery left the nation on the sidelines while the rest of Southeast Asia began its powerful economic boom. Mrs. Aquino managed to fend off a succession of violent coup attempts, but she showed few management skills, and the economy did not greatly improve.

Mr. Ramos stabilized democratic institutions and introduced free-market reforms that have brought strong, though unevenly distributed, economic growth. His personal political evolution has been remarkable. For years a pillar of the Marcos regime, he abruptly switched sides and led his troops in support of the "people power" revolt.

Now, however, Mr. Ramos seems to have undergone a brief crisis of faith in the democratic process, imagining that only a second Ramos term could assure continued stability and reform. Mrs. Aquino has usefully reminded him that the best guarantee of good government remains an alert and vigilant citizenry.

— THE NEW YORK TIMES.

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Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 119900. Tel. (65) 472-7768. Fax: (65) 274-2334
Mng. Dir. Asia, Rolf D. Kraneputh, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188. Fax 852-2922-1190
Gen. Mgr. Germany: T. Schlüter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. +49 69/97 12 50-0. Fax. +49 69/97 12 50-20
Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax. (212) 755-8785
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Globalization's Depredations Are Real and Brutal

By William Pfaff

PARIS — The United States came under much criticism at the Hong Kong joint meeting of the World Bank and International Monetary Fund because many in Asia hold Washington responsible for the crisis that has struck the region's currencies and markets.

When leaders such as Prime Minister Mahathir bin Mohamad of Malaysia accuse Western speculators of responsibility for the crisis, Mr. Mahathir is usually held not to understand today's global economy. And it is true that Malaysia, Thailand and other Asian countries have brought many of these problems onto themselves through real estate speculation, uncontrolled bank credit, grandiose state projects and insider profiteering. They also have had considerable encouragement from abroad in their profligacy.

Nonetheless it is indispensable to understand that the United States is promoting a revolutionary remaking of international trade and markets, which in the short term mainly profits the West, and the long-term consequences of which remain profoundly uncertain. We do not known where this revolution will take us.

The politically correct description of this says that Washington's drive to reduce trade barriers and open up still more markets to international trade will eventually produce advantages for everyone, including the people in countries that may suffer a brutal short-term introduction to the international competition to drive manufacturing costs down and corporate profits up.

A politically incorrect description would say that globalization is an American-inspired drive toward universal economic deregulation.

The result of this deregulation not only lifts tariffs meant to protect local markets and producers but subjects small-country producers to an international competition they often are incapable of withstanding, tending to destroy the power of smaller governments to regulate their own economies, not to speak of their fiscal systems.

The latter is what the Malaysian prime minister is saying.

Globalization universalizes the labor market, thereby undermining labor unions and labor standards in the advanced countries. It tends to render environmental regulations in those countries irrelevant by promoting the transfer of production and pollution to poorer countries or regions where environmental standards are weak or nonexistent.

I am putting this very polemically, I know. But it is necessary to call a spade a bloody shovel when those who are promoting globalization ignore the damage it does. Their promises of a radiant future too often rest on what amounts to an inversion of Marx's dialectical materialism, equally unscientific in its premises and equally utopian in its expectations.

Obviously trade produces benefits, above all when the countries exchanging goods are at roughly the same level of industrial development and have sophisticated economic structures and legal systems. The obvious examples of this mutually beneficial process include the European Single Market and trade between the United States and Europe and Japan.

But trade does not produce only benefits, and this is what people in Southeast Asia, and also in the less developed Third World, are attempting to say. Dominant opinion in the West tends to dismiss the downside of trade deregulation by describing it as mere "creative destruction" (Schumpeter's expression is a favorite one). In the future all will be well. Alas, it seems, in a very distant future.

The economic transformation taking place today is extremely complex, and in social and political terms it could produce very destructive international consequences. The immense variety of humanity's economic societies are being violently annexed into a Western economic monoculture, dominated by enormously powerful Western economic actors, whose motivation is simply to maximize return on investment.

Trade between the West and countries in the non-Western world may destroy subsistence agriculture, co-opting Third World farmers into production for the international marketplace while their societies are made dependent on imported foods. The social and cultural consequences of this may be very serious.

Resources may be pillaged, as is happening in Asia's forests. Local artisanal production can be wrecked by international competition, causing more unemployment than the new employment produced by international investment. When barriers between advanced and backward economies are destroyed, a new form of human exploitation can follow, resembling that of colonialism in the 19th and early 20th centuries, complete with new forms of indentured labor.

Listening to President Bill Clinton as he asks Congress for "fast track" negotiating powers, one would think that nothing but positive effects will follow the expansion of free-trade zones and further deregulation.

It is time to recognize that the trade, labor and environmental regulations that globalization undermines were put there in the past for a reason. Much of this regulation came about as a direct result of the rampant abuses and exploitation of the industrial and colonial systems of the 19th century. Do we really wish to restore the conditions for such abuses?

It is time for Congress to call a halt and to think. It is time to let the free trade groupings we already have come to maturity, so that we understand their longer-term implications. It is time to consider whether economic interest is our only interest.

International Herald Tribune.
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It Would Help If Mahathir and Soros Toned Down the Rhetoric

By Philip Bowring

HONG KONG — The war of words between Prime Minister Mahathir bin Mohamad of Malaysia and the financier George Soros over responsibility for Southeast Asia's financial market crisis is good theater. Both parties have a history of headline-seeking, which appeals to the media's cult of personalities. The clash also enlivened the meetings of the World Bank and International Monetary Fund.

However, the region is past the point at which it can afford such high-level exchanges of abuse on the subject of increasingly delicate financial markets. It is easy from a local perspective to take Mr. Mahathir's comments in the context of domestic politics. One should watch what Malaysia does rather than what may be said in the heat of the moment, to catch the headlines or to provide foreign scapegoats for local failings.

The reality is that Malaysia's currency and stock markets have not been subject to restriction — let alone the closure that Hong Kong saw in 1987. Short selling is still allowed and the futures markets have not collapsed. The central bank has not panicked and the currency has been allowed to fall gradually. Interest rates have been held steady and the government has not — despite threats to do so — been rushing to commit public money to a bailout of the stock market.

But perception is at least as important as reality when the whole region is bearing horrendous losses of currency falls against a dollar that had been too eagerly borrowed, and adjusting to the prospect of much lower growth rates.

Malaysia's own position in the short term is more comfortable than that of some of its neighbors. It has relatively little short-term dollar debt and a still-strong inflow of direct investment. Whether longer-term perceptions of Malaysia's attractions are affected by the row remains to be seen.

However, what is clear is the negative impact the row is having on a region that shares common characteristics, particularly current account deficits and short-term dollar borrowings accrued in the belief that exchange rates were predictable.

Equally important, if less noticed, are the cross-border corporate linkages. If heavy losses have been sustained by, for example, a large Indonesian private company because of a combination of devaluation and over-rapid growth, the shock waves will be likely felt in Malaysia as well as in the banking centers of Singapore and Hong Kong. Big families have geographically diverse interests, so a major problem in one country may force them to liquidate assets in another.

The linkages that are so beneficial to the region in good times can become a liability on the downturn. At the macro level, the economies and current prospects of each country are very different. But at the corporate level, and in foreign perceptions, the connections are much more significant.

As the region's currencies begin to stabilize at lower levels, it is becoming apparent that the region's biggest problem is not in the size of its current account deficits or the totality of foreign debt. It is in the private corporate nature of that debt, reflecting recent privatizations as well as the region's traditional private-sector dominance. Devaluations have exposed the over-gearing of many companies and hence the vulnerability of weaker banks.

Withdrawal of foreign portfolio capital from Malaysia may not be of great importance in dollar terms. But it does detract from the region's corporate net worth and hence its ability to raise debt as well as equity capital. Whether justified or not, negative perceptions of Malaysia stemming from the war of words is having a domino effect in a region already suffering from a sudden dearth of liquidity.

Mr. Mahathir and Mr. Soros would do this region a favor by exercising some verbal self-discipline.

International Herald Tribune.

After the Vote, a Further Test of Poland's Political Maturity

By Elizabeth Pond

WARSAW — A new democracy is firmly rooted, the aphorism has it, when voters kick out incumbents the second time. By this test, Poland proved its maturity Sunday in its third free election since shaking loose from Communist rule in 1989.

A new market economy, investors have it, is firmly rooted when the government intervenes as umpire rather than as main owner and actor. By this contrary test, Poland could face a rough four years under the new Solidarity government that is likely to emerge after a month or more of tough bargaining.

The problem is that the Solidarity Election Action, which won top place with 34 percent — and the two small parties that could give it a majority, the Polish Peasant Party and the nationalist Movement for the Reconstruction of Poland — are all to the right politically but well to the left economically. If their protectionist and inflationary campaign platforms are adopted, privatization will be slowed. This year's $6 billion current account deficit will refuel inflation. Poland's stellar growth of 6 percent will slow. Western investors will go elsewhere.

For businessmen the key question is whether the Solidarity coalition will be broadened to include that other scion of the 1980s Solidarity trade union, the Freedom Union of intellectuals, which won 14 percent on Sunday. And whether Mr. Shock Therapy himself, Leszek Balcerowicz, gets into the new government. It was Mr. Balcerowicz's radical reforms in the first Solidarity government in 1990 that cleared the ground to give Poland one of the fastest growth rates in Europe today.

Already the wrestling has started between the two main protagonists, Mr. Balcerowicz and the 47-year-old, little-known Solidarity coalition leader, Marian Krzaklewski. Both insist they would form a coalition only on the basis of their own (incompatible) programs. In the middle is the old Solidarity hero Lech Walesa, who to Mr. Krzaklewski's visible annoyance is trying to set himself up as their go-between.

On the sidelines is the "post-Communist" Democratic Left Alliance, which dominated the government for the past four years — and enthusiastically continued Mr. Balcerowicz's liberalization. It came in second on Sunday with 27 percent.

At this point everything depends on which strain — the dogmatic or the pragmatic — wins out in the young and untested Mr. Krzaklewski. "Who is Krzaklewski?" asked a newspaper commentator. "We are not really sure yet."

Is it the Krzaklewski who recently seriously proposed crowning Christ as king of Poland, who branded the Freedom Union intellectuals "traitors" for accepting compromise language in the new constitution, which was insufficiently Catholic for Mr. Krzaklewski's taste? Is it the firebrand whom Pope John Paul II had to restrain from calling for special nationwide masses to save the land from the godless left?

Or is it the shrewd politician Krzaklewski who managed to unite the right and lead it back into Parliament after internal squabbles shut it out in 1993?

The leading sociologist Andrzej Rychard takes an optimistic view. He finds it helpful that society's splits in the present tumultuous transformation will be reflected in the new government. Assuming that Mr. Krzaklewski does bring the Freedom Union intellectuals into his government, Mr. Rychard expects the Solidarity coalition to serve more as a bridge to trade unionists than as a populist rabble-rouser against economic reform. Despite confrontational rhetoric during the campaign, Mr. Rychard points out, strikes have been decreasing, there actually is a good deal of pragmatic cooperation on the shop floor and average wages — which are shooting up 7 percent a year — create their own constituencies for further liberalization.

Mr. Rychard also notes that the egghead Balcerowicz got above-average support in the depressed Katowice mining district as well as among urban yuppies nationwide. He attributes this to Mr. Balcerowicz's unusual combination in the public eye of both "honesty" and "efficiency." Voters appreciate the efficiency of parties like the post-Communist Democratic Left Alliance but don't trust its honesty. Conversely, they approve the "honesty" of the Solidarity coalition in representing traditional Polish Catholic values — but don't trust the effiiency of a party that was formed only a year ago and has no experience in government.

If Mr. Rychard is right, maybe there is a third test of modernization besides those of toppling incumbents and getting the government out of the marketplace. Maybe another measure is messy democracy's tolerance of ambiguity and ability to weather political turbulence.

Stay tuned.

The writer is the author of "Beyond the Wall: Germany's Road to Unification." She contributed this comment to the International Herald Tribune.

Who's Calling the Kettle Black?

By Erika Niedowski

WASHINGTON — Earlier this year, when lawmakers on Capitol Hill debated whether to include fund-raising abuses by members of Congress in their investigation of campaign finances, many members bristled.

"The president is the alleged violator, not the Congress," exclaimed Senator Larry E. Craig, an Idaho Republican.

But some members of Congress have had problems following the law. And, despite plenty of evidence, none of them have been brought before the Senate's Governmental Affairs Committee, which is conducting the campaign-finance investigation.

In the first eight months of this year, a dozen lawmakers, including several who sit on the Governmental Affairs Committee, have paid hundreds of thousands of dollars in penalties for violating state and federal election laws.

In June, for instance, the Federal Election Commission ordered the defunct presidential campaign of Senator Arlen Specter to pay $233,000 for accepting illegal corporate contributions and an additional $87,000 for accepting donations exceeding federal limits.

Senator Specter, a Pennsylvania Republican and a member of the Governmental Affairs Committee, has urged Vice President Al Gore to testify before the panel.

Two other Republicans on the committee — Robert F. Bennett of Utah and Robert C. Smith of New Hampshire — have also had problems. Senator Bennett paid $55,000 last spring for excessive contributions and for improper reporting of donations in his 1992 campaign; Senator Smith paid $95,000 last year for exceeding his state's spending ceiling.

The number of fines and abuses underscores the frequency with which candidates violate election laws. It also demonstrates how overburdened and easily manipulated the system is. Yet Senator Fred Thompson, the Tennessee Republican who is chairman of the Governmental Affairs Committee, has yet to have his panel look into any of these infractions.

When Senator Thompson's House counterpart, Dan Burton of Indiana, begins his campaign finance hearings this fall, not much is likely to change. Perhaps that's understandable: the Indiana Republican is the focus of a Justice Department investigation into whether he pressured a lobbyist for campaign contributions in 1996.

There are, of course, gradations of wrongdoing, from criminal acts to the most minor of infractions. In the House, Representative Jay C. Kim, a California Republican, pleaded guilty in August to criminal charges of knowingly accepting more than $230,000 in illegal corporate and foreign contributions; he faces up to three years in jail.

At the other end of the spectrum, Representative Lee H. Hamilton, an Indiana Democrat, merely failed to use disclaimers on some campaign material last year; he was fined $3,000 in July.

Many of the members of Congress who have been fined committed a single violation, far different from the pervasive fund-raising adventures the administration is accused of. But taken as a whole, these violations confirm how broken the system is.

Democrats have used the sheer number of violations as a convoluted defense of the Clinton administration. But the cry of "everyone does it" is no reason to ignore the transgressions of one branch of government. Rather, it is a reason to examine the transgressions of two branches of government in full.

The writer is a reporter for The Hill, a newspaper that covers Congress. She contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Oysters Not Dear

PARIS — The *Figaro* publishes an article this morning [Sept. 25] on the statement recently made that oysters would this year be extremely dear because of the storms on the coasts, which interfered with the beds. After having made a searching inquiry, the writer concludes that there is no cause for alarm, and that Parisians for a long time yet will be able to eat French oysters without paying for them their weight in gold.

1922: A Moral Right?

PARIS — [The Herald says in an Editorial:] A City Councillor of Bath, England, proposes a Bill to empower a medical tribunal "to bring about a more speedy and peaceful end for sufferers from cancer." The question of the moral right to put to death a human creature not convicted of capital crime will most engage the polemists. If a tribunal or its agent could legitimately do this, the patient himself could perform the same deed without greater transgression of the moral law. But it would be feared that this would tend to open wider the gate of suicide.

1947: Forbidden Horn

JERUSALEM — Yom Kippur, the Day of Atonement, ended tonight [Sept. 24] with the arrest of a nineteen-year-old Jew at the Wailing Wall for blowing the shofar, the ram's horn which signals the end of the holiest day in the Jewish year. The sounding of the shofar has been forbidden at the Wailing Wall since 1930 because the historic site is sacred to the Moslems as well as the Jews, and the Moslems regard the act as sacrilegious. But each year some Jews seek to defy the regulation by smuggling a ram's horn past the police to the wall.

OPINION/LETTERS

Homme Bites Chien: A French-U.S. Truce

By Jim Hoagland

NEW YORK — An American secretary of state and a French foreign minister having words over the Middle East is dog-bites-man news.

But when Madeleine Albright and Hubert Vedrine spoke on the telephone about her journey into the peace process earlier this month, they broke the familiar mold of French-American diplomacy: They talked before the trip, in friendly and mutually supportive terms.

Pardon my Franglais, but that's homme biting chien.

France and the United States have long been at daggers drawn over Washington's pro-Israeli policies and Paris's pro-Arab sympathies. But Mr. Vedrine, France's top diplomat since June, publicly praised Mrs. Albright's effort before and after her trip, cutting off the gloating that would have emerged in the past from the Quai d'Orsay when she admitted failure.

"The world needs America to stay involved in rebuilding the peace process," Mr. Vedrine observed this week as he paused in his diplomatic rounds at the United Nations to explain to an American the new, less gloomy look the Socialist-led coalition government has brought to France's domestic and foreign affairs in four months.

Mr. Vedrine, 50, is one of those brainy, refined civil servants the French system of meritocracy is organized to produce and promote.

They run their highly centralized nation-state by standing vigilantly by the politicians in what Mr. Vedrine calls "the shadows of power." He spent 14 years at the Elysée Palace in key advisory and staff position: under President François Mitterrand, gaining unparalleled experience in coping with "cohabitation," the French description of divided government.

That experience is one reason Prime Minister Lionel Jospin moved Mr. Vedrine from the shadows onto the stage as a cabinet minister when the Socialists upset President Jacques Chirac's Gaullist conservatives in snap parliamentary elections last spring.

Mr. Vedrine's coolly analytical style and matter-of-fact approach to foreign affairs typified the personality that M. Jospin wanted his entire cabinet to project to the French.

Morose and exhausted by record unemployment rates and economic stagnation, France is revolting against politics as usual. The electorate turned on Mr. Chirac with a vengeance when he called parliamentary elections a year early after economists warned him that things looked even grimmer in the months ahead.

Mr. Chirac now has grounds to dispute Shakespeare: I think Mr. Chirac would shoot the economists first, and the lawyers. The French economy has picked up. Mr. Jospin's government predicts 3 percent growth by next spring. Unemployment remains a crushing burden, but the French mood is lifting. Recent polls give Mr. Jospin a stunning 62 percent approval rating.

I caught a glimpse of one reason for that mood shift when I tossed Mr. Vedrine a softball question about the new government's popularity. "I'm not well placed to answer that very objectively," he said with unfeigned modesty. "And no one could really say now if the government is the cause or the beneficiary of the change that is occurring. But the French have the government they want: one that takes a sober, empirical approach to the new realities of the world rather than a narrow political approach."

Neorealism – 'a sober, empirical approach' – is the new French diplomatic style.

Neorealism is the new French diplomatic style. In their annual conference in Paris at the end of August, French ambassadors heard Mr. Vedrine urge them to take into account — without rancor — America's unrivaled military, economic and cultural power, wherever they are stationed.

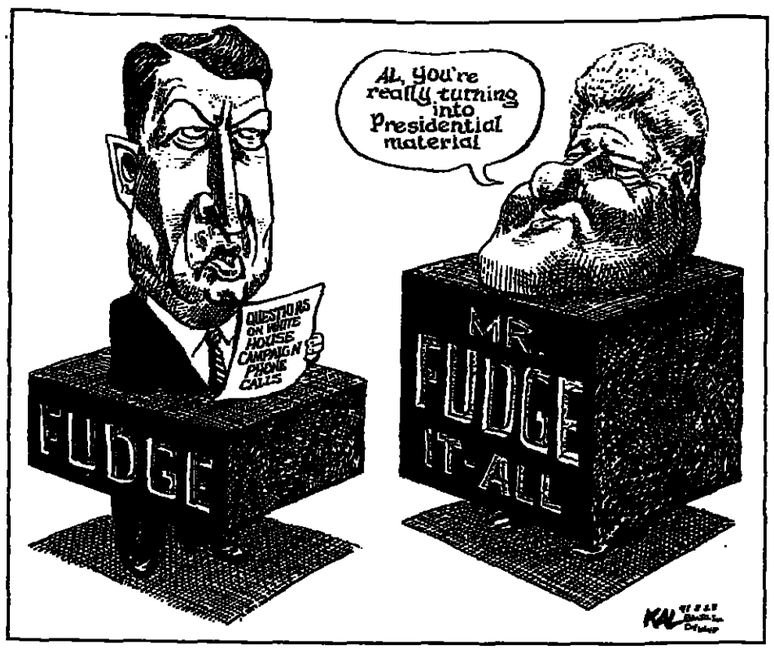
"The United States has assets not yet at the disposal of any other power: political influence, the supremacy of the dollar, control of the communications networks, 'dream factories,' new technology. Add these up — the Pentagon, Boeing, Coca-Cola, Microsoft, Hollywood, CNN, the Internet, the English language — the situation is virtually unprecedented. We have to take this on board in our thinking."

Mr. Vedrine made clear that France will also pursue its own interests as "one of the seven or eight powers with global influence and the means to conduct a true global policy." France must make sure the United States avoids the temptation of "unilateralism and the risk of hegemony" over others. Paris will work to construct "a multipolar world of the future."

Working constructively on the Middle East with Mrs. Albright — "a professor, an intellectual," Mr. Vedrine told me admiringly — is part of this double-edged effort: "Europe must offer a real commitment and involvement. It is no longer enough for a country to define itself by taking a 'for' or 'against' position on the United States. We have to support, or not support, case by case, on merits."

Out of France, that is something new under the sun.

The Washington Post.



And on the Next Mir Episodes, Flames and Flying Borscht

By Timothy Ferris

SAN FRANCISCO, Nov. 1 — The Mir space station collided with a hot-air balloon over the Alps, the Russian space agency announced today.

"Thank God we're alive!" exclaimed Yuri Tsvetnoy, senior cosmonaut aboard the aging space station, after

MEANWHILE

radioing to ground controllers that the spacecraft had accidentally dipped so low that it brushed against a balloon floating 4,000 feet (1,200 meters) above Oberalpstock, Switzerland.

The incident took place Oct. 15 but was made public only today by Russian space officials, who described it as a "temporary departure from nominal orbit."

Nov. 2 — The ailing Mir space station spun wildly out of control for nearly 25 hours, spraying everyone aboard with cold borscht, the National Aeronautics and Space Administration admitted today. Russian officials said the incident Oct. 19 resulted from a jammed thruster valve.

A spokesman said NASA delayed announcement of the event "because it was Sunday morning and everybody was in church, praying."

The borscht, unleashed when centrifugal force from the spin blew open the lid of the Borscht Detainment Vehicle, or BDV, provided the three Mir astronauts with their sole nourishment during the daylong ordeal.

"Thank heaven for the failed BDV!" exclaimed Yuri Tsvetnoy, the crew's senior member.

Skip North, the sole American aboard, said he had failed to develop a taste for borscht and complained that he was running low on Spang, a concentrate of Spam and Tang.

Nov. 3 — Jets of flame began spouting from every air vent aboard the Mir space station three weeks ago and have not yet abated, Russian and U.S. space officials confirmed today. A NASA flight controller called the problem "troubling," but Russian officials said the flames "do not interfere with normal space station operations."

Officials conceded that the fires were rapidly consuming Mir's dwindling oxygen supplies, but predicted that the three astronauts aboard could "survive indefinitely" by lighting oxygen candles, sucking air from tanks on their space suits and gnawing on unwashed socks worn when the atmosphere aboard still contained sufficient oxygen.

Nov. 4 — The Mir space station collided with a communications satellite today, smashing both spacecraft into fragments but leaving the three astronauts involved unharmed and in good spirits.

Vladimir Solovyov, Russia's mission control chief, said all three were in orbit, "clinging to bits of flotsam midway along the 70-mile-long debris trail." He characterized crew morale as "high."

Radio transmissions from the veteran cosmonaut Yuri Tsvetnoy seemed to confirm that he, at least, was in good spirits.

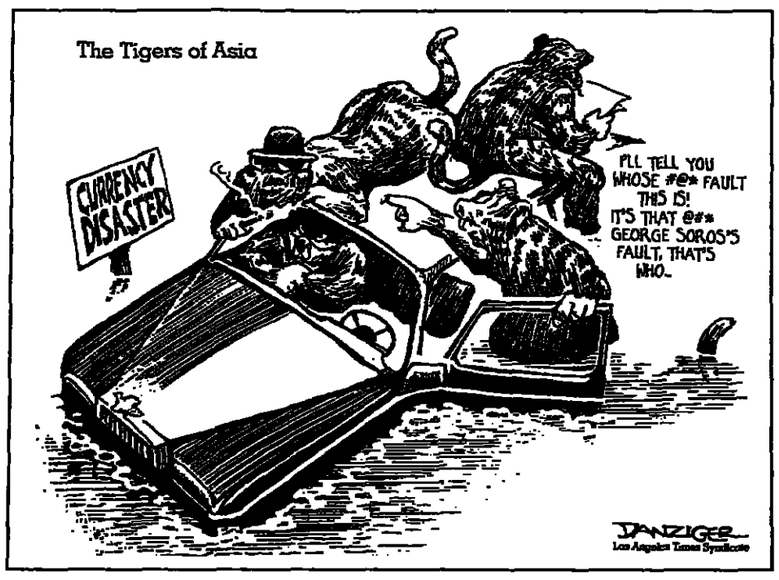
"Praise be, we made it through," he said, cheering his colleagues with a lusty rendition of "Song of the Volga Boatman."

The collision occurred after a vacuum tube failed in the troubled station's Red Dawn 8088 computer. It destroyed one of Royal Saudi TV's 16 low-orbit Golden Oldies communications satellites, interrupting broadcasts of "The Monkees" and "Leave It to Beaver" to five Middle Eastern nations.

NASA was weighing whether to try an immediate rescue or wait and see whether the crew could glue together enough pieces of the craft to create a serviceable abode.

A third option was to delay returning the astronauts to Earth until the new international space station can accommodate them. Construction is scheduled to begin next year on the new station, which will include a Swedish sauna, an English squash court and an Italian sausage grinder designed to test whether sausages can be manufactured in microgravity.

The writer, whose latest book is "The Whole Shebang: A State-of-the-Universe(s) Report," contributed this comment to The New York Times.



LETTERS TO THE EDITOR

About Bosnia

Regarding "Bid to Punish Serbs Overruled in Bosnia" (Sept. 17):

SFOR. IFOR. What for?

LEONORE SUHL.
Portimão, Portugal.

Regarding "Backing Down in Bosnia" (Editorial, Sept. 19):

Clausewitz said that war was the continuation of politics by other means and had a political purpose. In Bosnia-Herzegovina, politics seem to be the continuation of war by other means and have a military purpose.

The international community has forced a surrender onto two secessionist entities and a legitimate government. Neither the Serbs nor the Croats were allowed to secede; nor was the Sarajevo government restored as the sole recognizable authority in the country.

As a result, the Serbs and Croats will use any election to reaffirm their secessionist aspirations, and the Muslims will go to the polls thinking it will help them get their old homes back, until the West decides there's nothing more it can do to help and eventually sanctions the partition of Bosnia.

In short, all three sides have lost the war, and making them vote now can only bring them a step closer to losing the peace.

BERNARD HENRY.
Garches, France.

Regarding "The Death of a Diplomat Working in a Place He Cared About" (Opinion, Sept. 20) by Jim Hoagland:

Like Mr. Hoagland, I, too, lost a dear friend in that N helicopter crash on a Bosnian mountainside Sept. 17. I, too, raged against the impropriety of using antiquated Russian helicopters when NATO fields the most advanced helicopters in Bosnia, but apparently only for soldiers.

But above all, I remember a remarkable young woman, Leah Melnick, who selflessly worked alongside me first in Cambodia and then in the former Yugoslavia. Barely 30 years old, she had given three years of her life in Bosnia serving the United Nations and the Office of the High Representative. Bosnia had offered her a chance to do something in a place she cared about, for people she cared about.

MICHAEL C. WILLIAMS.
London.

The writer was director of information for the United Nations Protection Force in the former Yugoslavia.

Blair vs. Netanyahu

Regarding "In Israel, Hard Questions" and "Sinn Fein Vows to End Violence for Ulster Aims" (Sept. 10):

Two different policies, two different results. The International Herald Tribune's front page featured a sharp contrast.

The new Labour government in Britain had reached out and taken risks to pursue peace in Northern Ireland. The fruit was a pledge by Sinn Fein, the Irish Republican Army's political arm, to renounce violence.

Israel's vindictive government, on the other hand, continues to refuse to reach out — and the fragile possibility of peace seen on the White House lawn during President Bill Clinton's first term is fading.

It seems that Prime Minister Benjamin Netanyahu's government has become consumed by looking backward. Mr. Netanyahu should take an example from Prime Minister Tony Blair of Britain. While two decades of the Conservatives' hard line did not lead to arms being laid down, a mere few months of Labour looking forward has made a difference.

HOPKINS HOLMBERG.
Cairo.

On Credit Reports

Regarding "When Big Brother Gets Your Number Wrong" (Opinion, Sept. 23) by Lynn M. LoPucki:

According to the Fair Credit Reporting Act of 1970, Mr. LoPucki has a right to know what information is in his credit report.

The credit reporting agencies are required to tell him about every piece of information in the report, and in most cases, the sources of that information. He is also entitled to request this information over the phone.

Mr. LoPucki wrote, "I hope one day my credit will be good again, but I don't believe it will." I wouldn't take this so lightly. Accurate negative information can be reported for seven years; facts about bankruptcies can be reported for 10 years.

MARIANNE LYMN.
Lemelingen, Belgium.

A Booming Industry

Regarding "The Outlook for Workers Isn't Sunny" (Opinion, Sept. 4) by Paul Krugman:

Although it may be true that "job growth tends to be greatest in the occupations that new technology affects the least," there is at least one exception to this theory. The explosive growth of jobs in the "telephone sex" industry could not have occurred without new means of communication.

C. R. B. JOYCE.
Allschwil, Switzerland.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Project Finance in the Middle East

A one-day conference for business organised by MEED and MEEDMONEY in co-operation with

ANZ Investment Bank
GULF INTERNATIONAL BANK, B.S.C.

6 November 1997
Cafe Royal, London

According to the World Bank, the Middle East and North Africa region will have to invest up to $370,000 million in infrastructure in the next 10 years. A growing proportion of this figure will have to come from the private sector in the form of debt and equity.

To highlight the issues and explore the opportunities for banks and investors, Middle East Economic Digest (MEED), the weekly magazine for those dealing in and around the Middle East, and MEEDMONEY, the finance journal for the region, are to hold on 6 November 1997 in London, *Project Finance in the Middle East*, a one-day conference for senior decision makers and analysts. This event will review general needs and trends in the region and focus on specific opportunities emerging in some of the main markets of the Middle East.

AGENDA HIGHLIGHTS

- *Economic prospects in the Middle East to 2005 - speaker: Edmund O'Sullivan, editor-in-chief, MEED*
- *Middle East major project overview*
- *New developments in global project finance markets*
- *The Sabic project pipeline to 2005*
- *How Sadaf, Ibn Rushd and Saudi Chevron were financed*
- *Developments in financing Saudi Arabian power projects - speaker: Steven Miles, Arent Fox Kintner Plotkin & Khan*
- *The Ghazlan power project finance profile*
- *The Qatar project pipeline and new approaches to project finance - speaker: representative of Qatar Petroleum Corp. and from Qatar National Bank*
- *New Omani projects - speaker: Hunaina Al-Mughairy, director general of investment promotion, Oman Centre for Investment Promotion & Export Development (OCIPED)*
- *Financing major projects in Oman*
- *The Abu Dhabi utility privatisation programme*
- *How Kuwait's Equate project was financed*
- *The ECA prospective on financing Middle East projects - speaker: Martin Crane, managing underwriter for civil projects in the Middle East, ECGD, London*

For further details or to reserve a place, contact MEED Conferences, MEED House, 21 John Street, London, WC1N 2BP, UK

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HEALTH/SCIENCE

U.S. on Verge of Approving Thalidomide for Leprosy Patients

By Sheryl Gay Stolberg
New York Times Service

WASHINGTON — Thalidomide, the drug whose use in the 1960s produced thousands of babies with flipperlike arms and other gross deformities, is on the verge of receiving approval from the Food and Drug Administration, nearly four decades after the agency's legendary decision to reject it for use in the United States.

Officials at the agency announced on Monday that they intended to approve thalidomide for use in treating leprosy, as long as the company seeking to market it could adhere to several conditions, including elaborate restrictions designed to keep the drug away from women who are or might become pregnant.

But the potential benefits of thalidomide are vast, and experts expect doctors to quickly begin prescribing it for "off-label" uses. In recent years, thalidomide has been experiencing a revival of sorts, and scientists are experimenting with it for maladies as diverse as AIDS, brain cancer, lupus and other autoimmune diseases. Advocates for people with these conditions have been urging the agency to make it available.

"The company has met its scientific obligation in showing that the benefits outweigh the risks" in treating leprosy, said Dr. Murray Lumpkin, deputy director of the FDA's Center for Drug Evaluation and Research. "The issue now is how can you manage the downsides of this drug? That is the challenge."

Dr. Lumpkin could not say how soon the drug might be approved for use. But an official with Celgene Corp., the company seeking the approval, said he expected that Celgene would be able to satisfy the FDA's conditions in a matter of weeks. The official, Bruce Williams, said the company had already produced enough of the drug to market it immediately after approval.

News of the letter to Celgene left surviving thalidomide victims saddened, but not surprised. "This is not a happy day," said Randy Warren, who was born without hips after his mother took the drug and who now leads the Thalidomide Victims Association of Canada. "But it is certainly not a day we didn't expect. It's another stop on the journey of tears."

Health experts said approval of the drug, especially if it was used for a variety of conditions, would almost certainly lead to the births of babies with defects that were seen in countries where thalidomide was marketed as a sedative in the 1960s.

DR. NORMAN FOST, an ethicist and pediatrician at the University of Wisconsin, said, "Thalidomide is now becoming a wonder drug. Once it is approved by the FDA there is nothing to stop doctors from prescribing it for other things. It will be crucial that there be safeguards to prevent off-label prescribing, and there is no good mechanism for doing that."

It will now be up to the FDA and Celgene to agree on a system for distributing the drug. They will not have to start from scratch: Celgene has already proposed tight controls, based on a system used for acutane, an acne drug that has severe side effects in pregnant women.

Under Celgene's proposal, drugstores would be required to register to buy thalidomide, and pharmacists would not be permitted to dispense more than a month's worth of the drug. There would be no automatic refills, and all patients would be required to register in a national database before receiving the drug.

Doctors and their patients would be required to undergo extensive education, and women of childbearing age would be required to show proof that they were using contraception. Female patients would also be required to take pregnancy tests at least once a month.

If such restrictions were to be imposed, Dr. Lumpkin said, thalidomide would become the most heavily regulated drug in the United States.

In enacting the controls, Dr. Fost said, the FDA must strike a delicate balance, weighing the interests of women who need the drug against the knowledge that deformed babies will undoubtedly be born.

"The goal here is not to produce zero risk," he said. "The only way to do that is not to have the drug on the market. But you can get it close to zero without limiting access to women in a way that is unreasonable."

Mr. Warren said he was bracing himself for the birth of more "thalidomiders" as he calls himself and the 5,000 other survivors. "I think one baby is going to be one baby too many," he said. "I dread that day more than today."

The FDA made the announcement just two weeks after a panel of outside scientific advisers voted, 8 to 2, to recommend that the agency approve the drug for patients with erythema nodosum leprosum, or ENL, a complication of leprosy that causes skin lesions, fever and other symptoms. At that hearing, some of the FDA's own medical experts recommended that the ban remain in effect, saying they feared that the drug would become too widely available through off-label use.

LEPROSY affects about 7,000 people in the United States, 250 of whom receive thalidomide through a government "compassionate use" program. But tens of thousands of others with cancers and certain AIDS-related illnesses, including the severe weight-loss condition known as wasting, might also benefit from the drug.

The FDA clearly fears that doctors will be too quick to prescribe the drug for uses other than leprosy; it has already told Celgene that the company cannot use the trade name it had proposed for thalidomide because the name, synavir, sounds too much like that of several antiviral drugs used to treat AIDS.

A New Strain of TB Emerges

By Denise Grady
New York Times Service

NEW YORK — A highly contagious, rapidly growing strain of the bacteria that cause tuberculosis has mysteriously emerged in the foothills of the Smoky Mountains, in a rural area along the Tennessee-Kentucky border.

The new strain multiplies in the laboratory 1,000 times as fast as a typical tuberculosis bacterium, and it swept through the community with astonishing ease, spread by even fleeting contact, like that between two people standing near each other outdoors at a fast-food stand. Fortunately, standard medications work well against the organisms, which have not become drug-resistant. "This is something we haven't seen before," said Dr. Sarah Valway, chief of the epidemiology section in the tuberculosis division at the Federal Centers for Disease Control and Prevention in Atlanta. "The lab people have no record of any TB bug growing like this one."

The bacteria caused an outbreak in the region from 1994 to 1996, during which 21 cases of active tuberculosis were diagnosed and 337 people who were not ill with the lung disease nonetheless had positive skin tests, indicating that they were infected with the bacteria. More recently, new cases have dwindled, a decrease that health officials attributed to prevention and treatment programs that were begun as soon as the first cases were discovered. "Right now, we're on a plateau, I think," said Dr. Christine Weyman, medical director of the Lake Cumberland District Health Department, in Somerset, Kentucky. "I hope and pray it's past its peak."

Dr. Valway presented the first public report on the new TB strain on Sept. 14 at a meeting of the Infectious Disease Society of America, in San Francisco. She did not disclose the exact location of the outbreak because, she said, the area is so small that naming it could jeopardize patients' confidentiality.

The spreading disease came to light almost by accident when a child registered positive on a routine skin test for tuberculosis in the spring of 1995. She was not ill, but the test meant that she was infected with TB bacteria.

Most healthy people who become infected — 90 percent to 95 percent — do not go on to develop active tuberculosis, and the infection at that stage is not contagious. Their immune systems fight off the bacteria, and the infection becomes dormant. Even though the first infected child was well, she was given a six-month course of preventive medication.

But how had the girl become infected? Tuberculosis is contagious when it has progressed to the stage of active disease in the lungs or larynx, and so local health officials knew that the child must have been exposed to someone who was ill. It turned out to be her uncle, who had been sick for some time without realizing that he had tuberculosis.

The uncle worked in a factory not far from the state line, with employees from Kentucky and Tennessee, and health departments in both states began screening them. Tuberculosis is an airborne disease: One person catches it by inhaling the bacteria that another has coughed up, and the infective particles can linger in the air for hours. The work floor in the factory had high ceilings and good ventilation, which might be expected to lower the risk of transmission. The cafeteria, though, was more closed-in, with less fresh air. Health officials said that they expected to find some people infected, but not many.

"When we read all the skin tests, that's when the amazing thing happened," said David Crowder, a TB adviser for the disease-control centers. "An extremely large percentage were positive, 181 of 264 employees. That's 69 percent. It's the highest Tennessee has ever seen. On average, even with close contacts, we get about a 20 percent infection rate."

An especially surprising finding was that those infected did not belong to groups at higher risk of contracting TB, like poor immigrants, people with AIDS, the elderly, and cancer patients with weakened immune systems. Rather, the infected people were mostly young, healthy, working people who had spent all their lives in the United States in a region with few immigrants.

Eventually, in an effort to contain the disease, a total of 461 contacts of infected people were traced, and 337 of them, or 73 percent, turned out to be infected as well, including 8 of the health workers conducting the investigation. Twenty-one people had active tuberculosis. One, who came to be known as the "source case," was a man thought to have infected the uncle of the first infected child through a casual contact in 1994.

DNA fingerprinting tests on bacterial samples taken from 13 of the people with active disease showed the organisms to be genetically identical, supporting the idea that all the patients had been infected, or had infected each other, during the outbreak. The bacteria have been named the O strain.

ALTHOUGH the outbreak seems to have ended, Dr. Valway said it would not be surprising if a few more cases turned up in the region because some casual contacts may have been overlooked. She also said that the strain had not been detected outside the area. "And we're looking for it," she said.

Where the new bacteria strain came from is unknown. Dr. Valway said she had found no reports of any other tuberculosis bacteria like it. Its extreme contagiousness is also unexplained, though she said that might stem from its ability to multiply so fast. "Maybe they grow faster than your body can kill them, and it gives them a better chance to get established," she said.

The Dollar Bill's Cocaine Trail

By Malcolm W. Browne
New York Times Service

NEW YORK — Roughly three-quarters of the $1 bills circulating in the Chicago suburbs, Miami and Houston are tainted with cocaine, the Argonne National Laboratory in Illinois has determined. But despite assertions by many defense lawyers that their clients were accidentally contaminated by cocaine-tainted money, cocaine in the bills does not normally rub off on skin, an Argonne chemist said.

As a result of the laboratory's finding, many defendants who might previously have been acquitted of charges of cocaine possession may now be convicted, the laboratory predicted.

Dr. Jack Demirgian, a chemist at the laboratory, said in an interview that his group had found cocaine in 78 percent of the $1 and $2 bills circulating in the suburban Chicago area, and a similar proportion for bills the laboratory sampled in Miami and Houston. "The level of cocaine contamination is presumably about the same in dollar bills in all large American cities," he said.

When paper money comes into contact with cocaine, the group found, fine particles of the drug become embedded in saw-toothed fibers of cellulose within the paper, while coarser particles fall away. "When we examined the surface of the money with a scanning electron microscope we did not find cocaine, but when the surface was abraded, cocaine particles embedded in the underlying cellulose fibers became visible," he said.

More important from a legal standpoint, the laboratory found that people who handle cocaine-tainted money usually remain free of contamination, except in cases in which the money came into contact with large amounts of cocaine immediately before a person handled it.

The project was conducted in collaboration with the Coast Guard, the U.S. Customs Service, and the Office of National Drug Control Policy.

To assess the degree of cocaine transfer from tainted bills, the chemists wiped the money with filter paper that was sent to a laboratory, which analyzed vapor from the money using a technique called ion mobility spectrometry.

Normally, $1 and $2 bills are not used to purchase cocaine, Dr. Demirgian said, but they are often used to wrap "rocks" — chunks of solid cocaine chipped off bricks of the drug weighing up to 1 kilogram, or about 2.2 pounds.

Paper money is used in place of newspaper or magazine scraps for packaging rocks, because it does not transfer ink to the cocaine. Dollar bills also come into contact with the drug when they are rolled by cocaine users into tubes to "snort" cocaine powder.

Once a person's hands come into direct contact with cocaine, Dr. Demirgian said, even the regimen of repeated scrubbing surgeons undergo before operating leaves a cocaine residue that persists for at least two days. "After the initial wash, the cocaine level in the hands goes down, but then it comes up again as cocaine in the skin migrates to the surface," he said.

Most cocaine transactions are paid with $10 and $20 bills, Dr. Demirgian said, and most such bills contain a "background" level of cocaine of about 5 or 10 micrograms of the drug. Only if a bill is found to have 1,000 times this amount can analysts assume it was used in a drug transaction, he said.

IN BRIEF

Growth Hormone Study

NEW YORK (NYT) — A large study has cast strong doubt on the increasingly common practice of giving growth hormone injections to short children to help them reach an average height. It concludes that years of treatment do not achieve this goal even for the one group of children who are thought to benefit: those who are deficient in human growth hormone, a pituitary gland chemical that stimulates growth.

Doctors at the University of Paris followed hormone-deficient children from the time they started treatment until they had attained about 98 percent of their adult height. Their growth was, on average, 2.4 to 2.7 inches (6 to 7 centimeters) less than was expected, said Dr. Joel Coste, the lead author and an associate professor of biostatistics at the University of Paris. "Growth hormone treatment has not restored normal growth to these children," Dr. Coste and his colleagues wrote in the current issue of The British Medical Journal.

The new study is significant because it is one of the few studies on growth hormone that followed children until they were almost fully grown. It lasted from 1973 to 1993 and monitored 3,233 children for an average of about four years.

A Treatment for PMS

CHICAGO (AP) — Some women with a severe form of premenstrual syndrome can be helped by the antidepressant Zoloft, a study shows.

The drug's maker, Pfizer Inc., funded the study of 200 sufferers at a dozen medical centers across the United States. About 62 percent of the women given Zoloft showed "much or very much improvement" compared with 34 percent of women given a placebo, the researchers reported in The Journal of the American Medical Association.

Previous research has found other antidepressants — Anafranil, Prozac and Paxil — effective in treating severe menstrual symptoms, the researchers noted. The Zoloft group improved in psychological and social functioning in a way similar to patients with major depression, the researchers said.

Slow Night in the Lab

NEW YORK (NYT) — People who prefer the wee small hours of the morning may think that at night they are just as sharp as during the day. But researchers at the Western Psychiatric Institute and Clinic in Pittsburgh say no.

Timothy Monk and Julie Carrier studied 18 healthy adults ranging in age from 19 to 28 who stayed awake for 36 hours, starting at 9 A.M. The subjects were asked to respond to relatively simple statements about which letter of the alphabet follows which. For instance: C follows M, or M follows C.

They all got most of the answers right, day and night, although it took them longer at night, which was not a great surprise. What was surprising, the researchers report in the current issue of Sleep, was that even after a night without sleep, the subjects were quicker in the daylight than they were the night before.

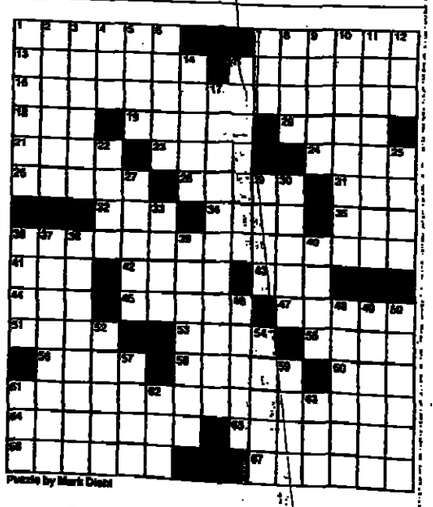
ACROSS
1 Checked for prints
7 "What fools these mortals be" writer
13 Under close scrutiny
15 Apple variety
16 Hopper
18 Wee
19 Lesley of "60 Minutes"
20 Fire —
21 Sweeping
23 Put the pedal to the metal
24 Release forcibly
26 Birthplace of Columbus
28 Quarterback play
31 Sidewalk stand offering
32 Cold war grp.?
34 1963 Shirley MacLaine role
35 Russian river in a Sholokhov title
36 Skipper
41 Bother
42 Duds
43 Scratch the surface
44 Member of 32-Across
45 Master's degree requirement
47 Plows
51 Snaillike
53 Pastoral sounds
55 What chimney sweeps sweep
56 No-show
58 Kipling story setting
60 "— Vadis?"
61 Jumper
64 "Driving Miss Daisy" co-star
65 Like TV's Ninja Turtles
66 So-called "Gateway to Australia"
67 Like Felix vis-à-vis Oscar

DOWN
1 Golf course feature
2 Green
3 Leader born in Georgia
4 Lead-in with angle
5 One overseas
6 Pub diversion
7 Taste
8 Within: Prefix
9 Tidal points
10 Lark
11 Came to visit
12 King Kong, e.g.
14 Track and field attempts
15 Skyscraper workers
17 The house white, perhaps
22 Kind of tar
25 Proceed
27 Southwest friend
29 — radio
30 Measure of purity
33 Gelatin substitute
36 Roams
37 Blind devotion
38 Cattle drive hazard
39 Like Scheherazade
40 Tennessee's state flower
46 1978 co-Nobelist
48 Plumlike fruit
49 Airport V.I.P. section
50 He brought Dracula to life
52 Common door sign
54 Police car device
57 Citrus fruit
59 To — (perfectly)
61 Qualifiers
62 Thumbs down
63 Genetic stuff

Solution to Puzzle of Sept. 25

L	I	M	P		E	O	N	A		B	A	S	R	A
A	R	E	A		X	R	A	Y		A	T	L	A	S
P	I	T	C	H	P	I	P	E		U	T	I	C	A
U	S	O		O	O	P	S		O	X	I	D	E	S
P	H	O	E	B	U	S		O	N	I	C	E		
		R	A	N		B	U	T	T		R	O	N	
H	I	T	A	N	D	R	U	N		E	T	U	D	E
O	C	H	S		S	I	N	C	E		I	L	E	X
B	O	R	E	S		F	I	E	L	D	T	E	S	T
O	N	O		K	I	L	N		G	A	L			
		W	A	I	T	E		A	R	R	E	S	T	S
S	M	A	L	L	S		D	U	E	T		C	U	E
T	O	W	E	L		C	A	T	C	H	C	O	L	D
I	N	A	N	E		O	M	O	O		A	P	S	E
J	A	Y	E	D		B	E	S	S		B	E	A	R

Puzzle by Mark Diehl



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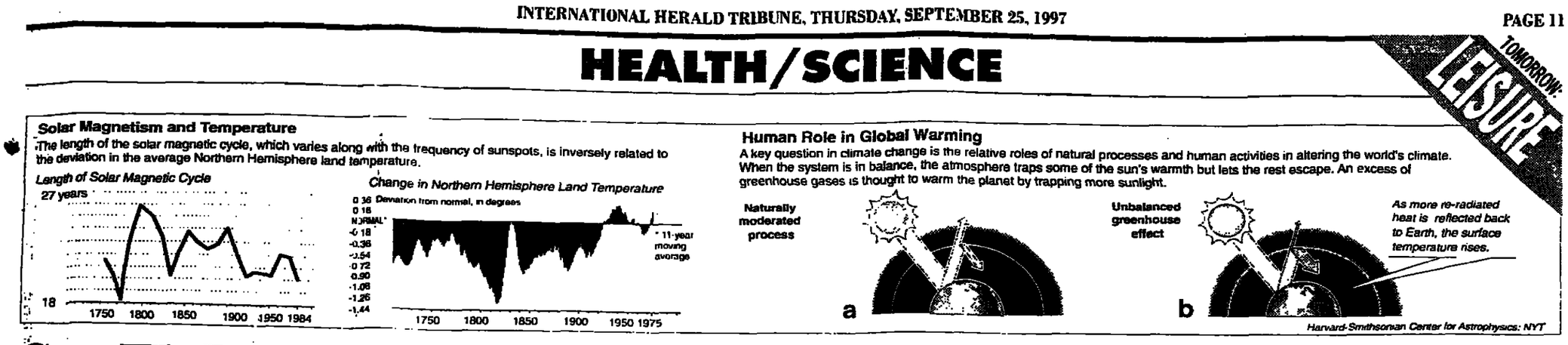
HEALTH/SCIENCE

TOMORROW: LEISURE



Can We Blame It on the Sun? Another Culprit in Climate Changes

By William J. Broad
New York Times Service

NEW YORK — The blame for the global temperature rise in the last century is often laid on civilization and its genius for generating clouds of greenhouse gases that trap sunlight in the atmosphere. But another possible culprit is fast emerging.

For centuries, scientists have known that the sun is less steady than sunbathing and casual observation suggest. It has seasons and storms and rhythms of activity, its sunspots and flares appearing in cycles roughly 11 years long. But only in the past decade or so have these and other kinds of solar variations begun to be tied to climate shifts on Earth — first tenuously, and more solidly of late.

Today, a growing number of scientists contend that the sun's fickleness might rival human pollution as a factor in climatic change. And some research, though sketchy and much debated, suggests that the sun's variability could account for virtually all of the global warming measured to date.

Other experts dismiss the possibility of such an influence, even while saying the solar factor should be studied more thoroughly. The sun is now approaching a stormy period in its 11-year cycle, promising a wealth of new data (and possibly hot weather) that might help answer the riddle.

In recent years, climate detectives have focused mainly on discovering statistical links between things like long-term fluctuations in the world's temperature and the sunspot cycle's length, which varies from eight to 15 years and averages 11 years.

Those links are now seen as firm. Increasingly, scientists are trying to pin down the physical mechanisms that might be at work. This is considered a crucial step because correlations can occur by chance, as is perhaps the case with crimes of violence and the phases of the moon. But if scientists can discover a "why" that links the phenomena, they may be able to turn speculation into verifiable fact.

Experts are now scrutinizing three solar variables as likely agents of terrestrial change: the sun's overall brightness, which is seen as affecting temperatures; the sun's ultraviolet rays, which are seen as affecting winds and ozone production high in the atmosphere, and the sun's storms of magnetic fields and subatomic particles, which are seen as affecting rainfall and the amount of cloud cover.

Many pieces of the puzzle, said Dr. Brian Tinsley, an atmospheric physicist at the University of Texas who works on the problem, are rapidly being "fitted together to suggest a fascinating picture."

Dr. Sallie L. Baliunas, an astrophysicist at the Harvard-Smithsonian Center for Astrophysics in Cambridge, Massachusetts, said the breakthrough insight might occur tomorrow "or we could struggle for decades." She added: "It's maddening. I wish I had a crystal ball."

Interest in the field is rising fast. At its next annual meeting, the American Association for the Advancement of Science, the world's largest general scientific society, is holding a session titled "New Frontiers in the Sun-Earth Connection."

Experts say much of the ferment derives from a rush of physicists, astronomers and astrophysicists onto turf customarily trod by meteorologists and atmospheric scientists. Such interdisciplinary forays are often quite fruitful, as when geologists and astronomers seized on cosmic bombardments to explain mass extinctions on Earth over the ages, going beyond the theorizing of paleontologists.

The central fact that commands the attention of all scientists investigating climate change is that average global temperatures appear to be rising gradually, going up roughly one degree Fahrenheit between 1880 and the present. The question is: Why?

MOST scientists say they are unsure about how much of the observed warming is due to natural causes and how much stems from human activities.

Conventional wisdom points to a significant role for heat-trapping gases like carbon dioxide, which is a natural part of the atmosphere but is also emitted by cars, factories and the burning of oil, coal and wood around the globe. Levels of this and other greenhouse gases are rising and are thought to be warming the planet by trapping sunlight that otherwise would be reflected back into space.

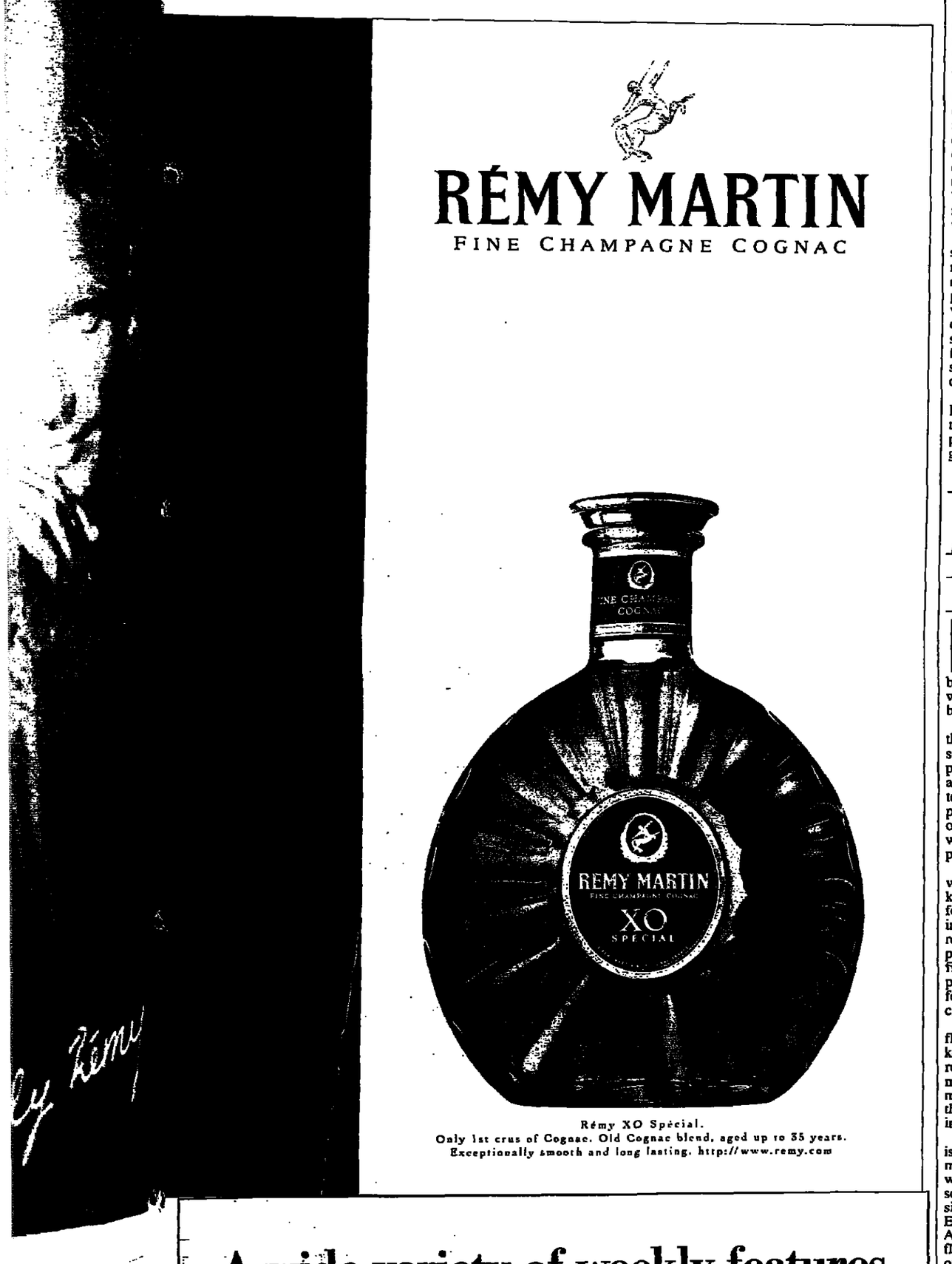
Heeding this logic, the nations of the world are to meet in December in Kyoto, Japan, to try to negotiate cuts in emissions of the heat-trapping gases. Not surprisingly, given the sketchiness of the science and the political difficulty of trying to curb industrial growth, debate is rising on whether such cuts are warranted.

Some experts contend that the majority of the century's warming occurred before 1940 and that most of the gas buildup occurred after that. Thus, they argue, only part of the temperature rise — perhaps a small part — can be attributed to human activity.

Clues to the sun's effect on climate can be found in the many intriguing links between terrestrial shifts and solar activity. For instance, the snow layers of glaciers show curious variations in dust and chemical residues that appear to echo the solar cycle, as do records of tree growth and storm paths.

The biggest correlation of all occurred centuries ago, when the number of sunspots fell sharply between 1640 and 1720 and the Earth cooled about two degrees Fahrenheit. Northern Europe was hit especially hard, as its glaciers and winters lengthened.

The mystery began to lift in the late 1970s as satellites started to fly above the obscuring atmosphere to study the sun directly. A decade later, the verdict was in. Contrary to intuition, the sun was found to be brighter when sunspots abounded and dimmer when they vanished. The reason was simple, at least in retrospect. It turned out that bright patches known as faculae, which accompany sunspots in the 11-year solar cycle, overpower the dimming effect of the dark blemishes.



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Diet Drugs: A Cautionary Tale

By Gina Kolata
New York Times Service

NEW YORK — In 1995, desperate for extra money, Dr. Israel Levavi, a Los Angeles internist, went to work for a brief period at a weight loss clinic that was run by a chiropractor and overseen by an infectious disease specialist.

He was paid $50 an hour to race through what he called "very, very cursory exams" of six patients an hour. The patients paid the clinic $100 for an exam and paid an additional $27 for blood tests. The clinic's weight loss education program, Dr. Levavi added, "consisted of a video loop in the waiting room." It was, he said, "very upbeat, showing 350 pounds melting into 135."

Dr. Levavi gave the patients what they wanted, prescriptions for the diet drugs known as fen-phen, with the fen referring to fenfluramine or dexfenfluramine, an appetite depressant, and the phen referring to phentermine, a type of amphetamine. When patients needed refills, the chiropractor would hand them prescriptions already signed by the infectious disease specialist who ran the clinic, Dr. Levavi said.

On Sept. 15, fenfluramine and dexfenfluramine were withdrawn from the market by their makers, responding to a request by the U.S. Food and Drug Administration, because doctors had submitted data to the agency indicating that the drugs may cause heart valve defects in as many as a third of patients.

The rise and fall of the fen-phen craze is a morality tale for our times, said some medical experts. The drug combination, which seemed a magic pill for obesity, soared to popularity on the basis of a single study involving just 121 patients. Eventually, an estimated six million Americans took fenfluramine or dexfenfluramine, most of them women, not all of them obese.

The tale speaks to the limitations of current methods of evaluating drug safety. It speaks to the willingness of some doctors, who see a quick flow of ready cash free from the constraints of managed care, to lure desperate patients, who will do almost anything to lose weight. It also raises questions about the FDA's standards for approving diet drugs, as well as about the way that drugs are monitored after they are on the market.

The story started more than two decades ago when fenfluramine and phentermine were approved for short-term use as diet aids. They never gained much of a market because they were not very effective.

But in 1979, Dr. Michael Weintraub, a professor of clinical pharmacology at the University of Rochester who has since moved to the FDA to head one of its divisions of new drug approval, got the idea of trying them in combination. Perhaps, Dr. Weintraub told himself, a mixture of two mediocre weight-loss drugs, with different actions on the brain, might be much more powerful than either drug alone.

Eventually, Dr. Weintraub put his hypothesis to the test with a four-year study of 121 obese patients, two-thirds of whom were women. Their average weight at the start was 200 pounds (91 kilograms).

During the study, the patients alternately took fen-phen or dummy pills. When they took dummy pills they got hungry and gained weight, but when they took fen-phen their hunger diminished and their weight went down. At the end of the study, the patients had lost an average of 30 pounds each. Dr. Weintraub looked for side effects, but he assumed the drugs were safe.

Marty Katz for The New York Times
Dr. Michael Weintraub, who got the idea of combining the two drugs.

"I figured, gee whiz, these drugs have been on the market for 10, 12 years," he said. "Everything must be known about them."

In July 1992, his study appeared in Clinical Pharmacology & Therapeutics. And the floodgates were opened. Word of fen-phen spread and patients began calling doctors to demand the drugs. Although the drugs were never approved to be taken in combination for long periods of time, doctors are free to prescribe licensed drugs in whatever way they see fit.

SOME, like Dr. Dennis Tison, a Sacramento psychiatrist, devoted his entire practice to fen-phen, buying the drugs wholesale and dispensing them in his office to thousands of patients. Like many doctors, he advertised on the Internet that he prescribed fen-phen. "I got calls from all over the country," Dr. Tison said. "People would say, 'I want the meds and I will pay anything.'"

Dr. Tison said he saw nothing wrong in his practice. He criticized storefront clinics springing up overnight in California strip malls, "like cockroaches," he said, handing out the drugs to anyone who walked in. "A lot of doctors viewed this as a cash register," he said.

Dr. Weintraub was taken aback by what his article had wrought. "In truth, I never thought of fen-phen mills," he said. "I never thought of it as a magic pill — every time I hear that word I sort of cringe." But his article came at a time when it had become clear that the traditional advice to eat less and exercise more was not helping. Americans were getting fatter, and more desperate, year by year.

Some medical experts said the FDA needs to rethink its standards for approving diet drugs. Approving a drug for long-term use when clinical tests lasted only a year is inadequate, said Dr. Richard Friedman, the director of the psychopharmacology clinic at New York Hospital-Cornell Medical Center. Drugs for depression, he said, are now being tested for five and even seven years.

Dr. Curt Furberg, chairman of the department of public health sciences at Bowman Gray University, said that drugs that will be taken for years should be tested for years. But the solution, he said, is not to slow the drug approval process but rather to require long-term follow-up so that it is not left to chance and the fortuitous observations of clinicians to bring serious side effects to light.

In the meantime, many diet doctors are not waiting for the next drug to be approved. Instead, they are mixing their own concoctions of drugs that are already on the market. Many are combining phentermine with Prozac, calling the combination phen-pro and advertising, once again, on the Internet.

The diet doctors are practicing "witchcraft," Dr. Friedman said. "Physicians, of all people, might be expected to be skeptical and respect the powerful effects of drugs. You'd think they would wonder at the very least if what they are doing is safe. How do they know they're doing no harm?"

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THE WORLD'S DAILY NEWSPAPER

UN Cool to Clinton, Politely Answering: Put Up or Shut Up

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — President Bill Clinton's motorcade had not left United Nations territory before the recriminations against the world's biggest deadbeat began.

"Nonpayments are unacceptable," said Bjorn Tore Godal, Norway's foreign minister, without actually naming the United States or saying that it owes the United Nations about $1.5 billion and that no checks are in the mail. He didn't have to.

"How can those of us who always make a point of paying in full and on time, without conditions, expect our citizens to continue financing free riders?" he asked in a speech Monday.

On Tuesday it was the turn of others, among them Russia, the big European Union and little Andorra, whose president of government, Marc Forne Molne, asked: "If each citizen of my country can pay nearly $2 a year to the regular budget of the organization, why can't the people of other developed countries do the same?"

Britain's foreign secretary, Robin Cook, said that "it is not equitable that some members pay their contributions while others do not."

He noted that calls for stronger united action against organized crime and the narcotics trade — goals of the Clinton administration — would carry a price.

"We cannot defeat the well-resourced menaces to the modern world through a UN that staggers from year to year on the verge of bankruptcy," he said.

Mr. Clinton, in his speech Monday, repeated the promise that congressional action on payments was near and that the administration was confident that U.S. assessments would be met.

But at the United Nations there is less and less willingness to believe that this will happen, at least not anytime soon. And there is not much of a rush to formally lower the U.S. portion of contributions to meet the demands of Washington.

The United States is assessed 25 percent of the regular UN budget, based roughly on its proportional share of the world economy, and wants to reduce that to 20 percent over three years.

Washington is charged about 31 percent of the peacekeeping budget and pays — when it pays — 25 percent under a 1994 law passed by Congress in contravention of international treaty obligations.

Furthermore, an American proposal to enlarge the Security Council by giving Japan, Germany and three developing countries permanent seats with no promise of veto power has so far evinced only faint praise at best in this year's General Assembly debate.

In Washington, a congressional conference committee working on the budget provisions covering the UN and other international organizations is racing to beat a deadline at the end of the month, but is stymied by a House of Representatives amendment that would link appropriations to a rider prohibiting U.S. support for any organization or national family planning program that condones abortion.

William vanden Heuvel, a former U.S. diplomat who is president of the Franklin and Eleanor Roosevelt Institute in New York, said Tuesday that he had never seen a General Assembly audience so "silent and sullen" during an American president's speech.

"They have heard it all before, and repetition without action does not enhance credibility," he said.

Mark Lennihan/The Associated Press

The Chinese foreign minister, Qian Qichen, right, greeting his Israeli counterpart, David Levy, in the corridors of the United Nations on Wednesday.

Albright and Qian Air Differences

Taiwan and Human Rights Are Discussed Before Summit

The Associated Press

NEW YORK — Though sounding a few sour notes, Secretary of State Madeleine Albright and Foreign Minister Qian Qichen of China continue to make preparations for an Oct. 28 summit meeting intended to strengthen economic and strategic ties between the two countries.

Mr. Qian grumbled Tuesday about what China considers to be undue U.S. attention to Taiwan, which Beijing considers a renegade province and wants to reclaim. And Mrs. Albright called for a lowering of Chinese trade barriers, an improvement in human rights and curbs on sales of missile technology.

Also, she said, China should pay a larger percentage of the costs of maintaining the United Nations. Beijing, the most populous nation, pays 0.74 percent of the UN budget. The Clinton administration, trying to reduce the load on the United States, wants China's share increased to 3 percent.

But Mrs. Albright said there was a growing consensus among the American people for a warm relationship with China. "I do believe we have made progress in almost all areas" of disagreement, she said.

In their talks, Mrs. Albright made the traditional pitch for the release of political prisoners. "They took very seriously our concern," and Mr. Qian said Chinese law provided for release from jail for medical reasons, a senior U.S. official said afterward.

Success at the summit meeting will be measured in part by what the Chinese do and whether they curb nuclear and missile technology sales to Iran, Pakistan and other countries, said the official, who spoke on condition of anonymity.

Mr. Qian, noting this was the sixth meeting this year with Mrs. Albright, said China was looking forward to President Jiang Zemin's meeting with Mr. Clinton "with a positive attitude." But he urged the administration to deal with the Taiwan issue "with prudence," and he brushed off a reporter at a joint news conference who asked him to be specific about what China did not like. "The question of Taiwan has always been the core issue" between the two countries, he said.

Mrs. Albright hosted an elaborate dinner for Mr. Qian, who doubles as vice prime minister, after the meeting and again voiced support for Chinese membership in the World Trade Organization.

Danube Divides Slovakia And Hungary in New Way

Both Await World Court Ruling in Dam Dispute

By Christine Spolar
Washington Post Service

GABCIKOVO, Slovakia — The Danube, Eastern Europe's largest waterway, has become a river of woe between Slovakia and Hungary.

Problems arose when Slovakia pursued a pact reached with its neighbor during the Communist era and built a dam in this town to drive a hydroelectric plant with huge amounts of river water. Hungary says that the concrete structure, whose operation it contends lowers the region's water quality and its groundwater levels, should come down.

Since the dam was built in 1992, the dispute has loosed a flood of political ill will between the two new democracies and laid bare trade ambitions up and down the 2,848-kilometer (1,770-mile) Danube. Both countries have turned to the World Court in The Hague to try to sort out the environmental dispute, and a decision is expected Thursday.

"People have turned this case into a cause for any and all problems they have" with the other country, said an analyst who regards the Gabcikovo Dam as a metaphor for the festering political troubles between Slovakia and Hungary. "Emotions run almost deeper than the Danube."

The Gabcikovo Dam is the remnant of what some call Europe's last Stalinist project.

It was born of a 1977 agreement between the Communist governments of Hungary and what was then Czechoslovakia to create a three-stage hydroelectric project at a scenic bend in the river and another dam at Nagymaros, 130 kilometers downstream.

Both countries, which share the Danube as a border, were to build diversion dams on their own territory to direct the river toward the spots where the dams would be built.

Even in those restrictive Communist times, environmentalists voiced protests. In Hungary, their forecasts of disaster grew into an integral component of the movement in the late 1980s to throw off Communist rule.

By 1989, the reformist Communist government of Miklos Nemeth, under popular pressure, overrode the party leadership and suspended work on the diversion dam in Hungary, citing environmental concerns. Within the year, a new democratic government scrapped the work altogether.

But Czechoslovakia pursued talks with Hungary regarding the dam itself.

In 1992, the European Union urged the suspension of all work despite the insistence of Slovakia, then still a Czechoslovak republic, that its dam — and Hungary's promised part of the project — was part of a legal and binding pact.

By October 1992, engineers in Slovakia, concerned with the looming split of Czechoslovakia at the end of that year, decided to move on their own. Water levels in the Danube fell as the state-run company in charge of the project embarked on a furious spree of construction.

After 72 hours of nonstop work, the Danube had been diverted down a new channel toward the dam. A river carrying 80 percent of the Danube's volume flowed where none had ever flowed before. Villagers from ethnic Hungarian communities in Slovakia as well as riverside towns in Hungary saw the Danube they knew dry up before their eyes.

Slovakia says the $500 million hydroelectric project 48 kilometers east of its capital, Bratislava, generates enough electricity to satisfy 12 percent of the country's energy needs. Slovak officials contend that their country had every right to benefit from a project that Hungary had abandoned — and they want Hungary to be forced to build its portion.

Some Slovak politicians have gone so far as to say that Hungary's attitude reflects a dismissal of Slovak rights, culture and even technological know-how.

More to the point, Slovakia has argued in court papers that the environmental damage cited by Hungary as the reason for its withdrawal has never been clearly substantiated.

"What the Hungarians call a disaster we call a success," said Julius Binder, general director of the Slovak engineering company that built the dam. "They claim a lot of things have gone wrong — with water quality, wildlife, plants. That just isn't true. Look for yourself."

To the untrained eye, a drive through the former wetlands near the diverted Danube may not be the best proof of possible harm.

But the expanse of green fields off the old riverbed and the shimmering, running water nearby cannot mask the subtle but important weakening of the wetlands, according to the World Wide Fund for Nature, which has opposed the Gabcikovo dam.

Water levels have sunk in the region, and nature cannot recover unless the river returns to its old path, according to the foundation.

"Even informed people can be easily misled by what they see," said Alexander Zinke, a foundation director who has tracked the dispute for 11 years.

"But what everyone knows is that there is clear change. Instead of an ecosystem that thrived on dry spells and floods, we now have a place of stable conditions. And certain species will not survive."

Mr. Zinke said the results were still difficult to quantify. Scientists do not yet have data on how many species have been affected so far, he said.

Hungary has pursued a World Court ruling, in part, to steer the issue away from emotional arguments.

But it appears that Hungarian officials — who have accused Slovakia of pursuing its own economic interests at the expense of the environment — no longer are so clear about their motives.

In a recent interview, Secretary of State Janos Nemczok said Hungary in 1989 "stopped the construction for both political and environmental reasons." But, in fact, some important political players wanted the dam despite ecological worries.

In 1989, Peter Medgyessy, who was then a deputy prime minister and is now finance minister, urged that the dam work be speeded up in the face of protests. In 1988, Gyula Horn, now prime minister but then a state secretary in the Communist-run Foreign Ministry, spoke publicly in support of the dam. Mr. Horn has since negotiated personally with the Slovak prime minister, Vladimir Meciar, to try to end the controversy.

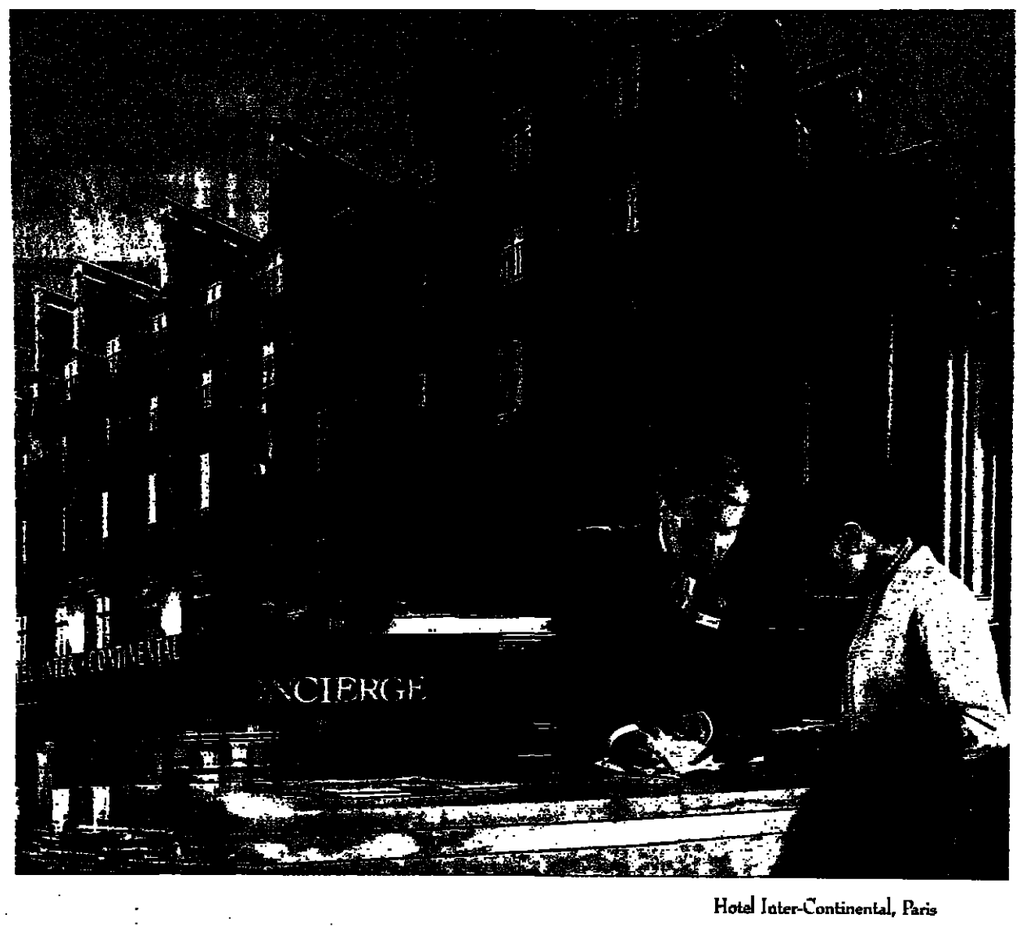
Today, Mr. Nemczok said, the Horn government has quietly formed a commission to review how the Danube can be used.

The goal of the Hungarian government, Mr. Nemczok said, is not to close off the Danube. Hungary is hoping to deepen a portion of the river that is not now navigable by placing a large, low dam — called a weir — on the Hungarian side.

According to documents submitted by the Hungarian government to the World Court, deepening that stretch of the Danube could open the river to shipping from the North Sea to the Black Sea and increase its total traffic by as much 200 percent.

Joe Marquette/The Associated Press

FUTURE ENVOYS? — The former speaker of the House of Representatives, Tom Foley, left, who is President Clinton's choice to be ambassador to Japan, with Stephen Bosworth, the nominee for ambassador to South Korea, at their confirmation hearings before a congressional panel Wednesday in Washington.



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BUDAPEST
CANNES
CRACOW*
EDINBURGH
FRANKFURT
GENEVA
THE HAGUE
HAMBURG
HANNOVER*
HELSINKI
ISTANBUL
LEIPZIG
LISBON
LJUBLJANA
LONDON
LUXEMBOURG
MADRID
MONTREUX
MOSCOW
MUNICH*
NICOSIA*
PARIS
PRAGUE
ROME
STUTTGART
TASHKENT
VIENNA
WARSAW
ZAGREB
ZURICH
AMERICAS
BOGOTA
BUENOS AIRES
CALI
CANCUN
CARACAS
CARTAGENA
CHICAGO
CIUDAD GUAYANA
COZUMEL
GUADALAJARA
IXTAPA
LOS ANGELES
LOS CABOS
MANAGUA
MARACAIBO
MEDELLIN
MEXICO CITY
MIAMI
MONTREAL
NEW ORLEANS
NEW YORK
PANAMA CITY
PUERTO VALLARTA
RIO DE JANEIRO
RIO NEGRO*
SAN FRANCISCO
SANTO DOMINGO
SÃO PAULO
TORONTO
VALENCIA
WASHINGTON, D.C.
ASIA PACIFIC
BALI
BANGKOK
BROOME
CHENGDU
COLOMBO
JAKARTA
KUALA LUMPUR
MANILA
NEW DELHI
PHNOM PENH
QINGDAO
SEOUL
SHENZHEN*
SINGAPORE
SYDNEY
TAIPEI
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YOKOHAMA
MIDDLE EAST
ABHA
ABU DHABI
AL AIN
AL JUBAIL
AMMAN
BAHRAIN
BEIRUT
CAIRO
DUBAI
HURGHADA
JEDDAH
MAKKAH
MUSCAT
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Herald Tribune

THE WORLD'S DAILY NEWSPAPER

Herald INTERNATIONAL Tribune
BUSINESS/FINANCE
THURSDAY, SEPTEMBER 25, 1997

NEC Joins The Wintel Juggernaut

Japan's Top PC Maker Bows to Silicon Valley

Compiled by Our Staff From Dispatches

MAKUHARI, Japan — NEC Corp. said Wednesday it would begin selling personal computers based on a global standard promoted by Microsoft Corp. and Intel Corp., a move that analysts said was a major change of strategy designed to shore up the company's eroding lead in Japan's personal-computer market.

NEC will gradually move away from its proprietary system, which dominated Japan's PC market for 15 years.

Microsoft, which created the Windows operating system, and Intel are often referred to as "Wintel" because of the extensive compatibility of many of their products.

"Facing a multimedia-network era, we felt an urgent need to alter our business strategy and adopt the next-generation 32-bit platform PC standard," Hisashi Kaneko, president of NEC, said at a news conference on the first day of the World PC Fair. NEC plans to launch a line of computers designated NX in October, offering 26 models based on the PC 98 standard, which is being promoted by Microsoft, Intel and PC manufacturers worldwide to run Microsoft's planned Windows 98 software.

The new line, called the PC98-NX series, will account for about 70 percent of NEC's total shipments later this year, Yoshi Takayama, NEC's managing director, said. NEC has forecast total shipments of 4 million units for the year ending in March 1998.

Among the technological improvements featured in the PC98-NX line is the inclusion of 32-bit expansion slots, which will speed communication among a computer's central microprocessor, memory and other components. Most PCs currently come with less powerful 16-bit slots.

The 32-bit feature will allow NEC's new line of computers to run Microsoft's pending Windows 98 and WindowsNT 5.0 programs more smoothly than the PC-9800 computer series, the company said. NEC, whose proprietary format can run the existing Windows 95 software but will not be able to fully accommodate Windows 98, was spurred into action by a steady decline in its share of Japan's PC market. Its share recently slipped below 40 percent, compared with more than 80 percent in the 1980s.

NEC also expects the NX series to help revitalize overall PC sales in Japan in the second half of the year ending March 31, 1998, Mr. Kaneko said.

After three years of dramatic gains, PC sales growth slowed markedly in Japan in the April-June quarter.

Sales of desktop PCs put in a particularly dismal performance, dropping 11 percent, to 1 million units, and recording their first year-on-year decline in five years.

Japan's 2 trillion yen ($16.5 billion) PC market is the largest in the world outside the United States, but the rate of PC penetration is low in households and small businesses. Japanese PC manufacturers expect the market to grow by only 10 percent or 20 percent in 1997-98 because of a delay in shipments of Windows 98.

NEC's shares rose 30 yen, or 2 percent, to close at 1,440.

(Reuters, Bloomberg)

The Peugeot 309, which is not selling like hotcakes in the Indian market despite high hopes in France.

Peugeot Skids on India's Roads

Its Joint Venture, Now in Third Year, Is Stuck in Reverse

By Miriam Jordan
Special to the Herald Tribune

NEW DELHI — PSA Peugeot Citroen thought it had a winning formula for India when it arrived in 1994: Jump early into a virtually untapped market, launch a tried-and-tested model, and tie up with one of the country's few established automakers.

Three years later, Peugeot's troubles in India are mounting.

Its joint venture with Premier Automobiles Ltd. has lost roughly $35 million and desperately needs a cash infusion; production has almost come to a standstill, according to people close to the project, and the French automaker's commitment to staying in India is unclear.

"I'm not in a position to say whether we will stay in India or not," said Vincent Adenis-Lamarre, the Paris-based area manager for South Asia. Peugeot executives in Bombay declined to comment.

The French carmaker's woes in India are the second blow to its Asia strategy. Peugeot also is winding up operations in the southern Chinese city of Guangzhou after an unsuccessful 10-year run.

Car sales in India have failed to grow as quickly as manufacturers expected since 1993, when New Delhi opened the national market.

None of the foreign players, including Ford Motor Co., General Motors Corp. and Daewoo Corp., is making money yet.

But industry analysts say Peugeot has made some critical mistakes.

Despite a one-year start over Ford and GM, it underestimated the competition; Peugeot's model, the 309, is unpopular, and its partner is a financially weak, family-run business struggling to survive in a liberalized economy.

What's more, early this month Peugeot took Premier to court to try to block a separate joint venture with an Italian rival, Fiat SpA.

"To gain market share in a place like India, you have to pump in a lot of money and be patient," said N. Sreenivasan, an auto analyst at Jardine Fleming Brokerage. "Peugeot does not seem to be sure of its strategy for India."

For now, the company is sticking with the 309, a model that Indian consumers are well aware has been phased out in Europe.

Mr. Adenis-Lamarre said research had indicated that the model repre-

INTERNATIONAL MANAGER

sented the correct "tradeoff" between affordability and style for price-sensitive Indians. But poor sales suggest otherwise.

"Peugeot took a colonial approach," said Hormazd Sorabjee, editor of Auto India magazine in Bombay. "They figured that after driving old cars for so long, Indians wouldn't mind driving a discontinued model. But today in India, a car is an icon of who you are and how well you are doing."

Not all of its troubles are Peugeot's fault. Intermittent strikes at the Premier plant near Bombay where the 309 is assembled disrupted output for several months last year. The strikes, which also affected another Premier plant, further debilitated the Indian partner.

"We don't have deep enough pockets to solve our own problems and also contribute to the joint venture with Peugeot," said Maitreya Doshi, managing director of Premier.

The situation is so dire that in recent months the cash-strapped venture has not been able to afford components from the parent company in France to keep up production. Only 3,000 309s have rolled off the assembly line since late 1995.

Peugeot and Premier each took a 32 percent stake in the project, with the rest held by financial institutions and the public. The initial Peugeot investment amounted to about $75 million, and the project has received no fresh funds since. Instead of cash, Premier contributed one of its two factories.

Sources close to the venture say that Peugeot pledged this year to invest more — if Premier put up money too. Short of cash, Premier offered instead to sell out entirely to Peugeot.

But after extensive negotiations over price, Peugeot decided it was willing to acquire only a majority stake.

Premier refused. That would mean, Mr. Doshi said, "holding a huge financial investment without having any management control over the business."

On top of the financial discord, Peugeot and Premier now are facing off in court over Premier's plans to build the Fiat Uno passenger car.

Peugeot gave its tacit consent to a 1995 deal between Premier and Fiat under which Premier would be licensed to assemble the Uno. Under that agreement, the Italian car giant was not to own any equity in the venture.

A few months ago, however, Fiat agreed to invest in the Uno project and acquire majority control.

"Fiat will treat the project like its own baby," said Mr. Doshi, whose company is to retain a 49 percent stake

See PEUGEOT, Page 18

France's Socialists Unveil Tight Budget

Package to Help Meet Euro Goals

By Joseph Fitchett
International Herald Tribune

PARIS — Unveiling its first budget Wednesday, France's Socialist government produced a tax-and-save package for 1998 that seemed likely to win broad domestic approval and reassure Germany and international markets that France would qualify to join a single European currency.

Finance Minister Dominique Strauss-Kahn emphasized once again that France's deficit would not exceed 3 percent next year, the threshold for joining the currency, the euro.

"It's a budget allowing us to follow growth, which will take off," Mr. Strauss-Kahn said, predicting that France's economy would expand by 3 percent or more, outperforming those of Germany and the United States.

Mr. Strauss-Kahn said that he had been able to fund the Socialists' campaign promises, including thousands of new public-sector jobs, while not increasing government spending.

He would do this, he said, by reallocating funds among ministries and imposing a fresh round of sharp cuts in the defense budget.

Total government spending of roughly 1.5 trillion French francs ($248.69 billion) will rise by 1.7 percent — the expected rate of inflation. At the same time, the tax burden will be nearly 40 billion francs higher than budgeted by the previous conservative government.

The budget "is much more realistic than we might have imagined in June," after French legislative elections, said J. Paul Horne, chief international economist in Paris for Smith Barney.

The 1998 budget had loomed as a credibility test for the government, which came to office after the June early elections. The vote was called partly because then-Prime Minister Alain Juppe feared he would need to impose an unpopular austerity budget this autumn.

The new Socialist prime minister, Lionel Jospin, has benefited from France's brightening economic outlook. He is likely to get broad acceptance of the budget, analysts said, because all the mainstream political parties in France are committed to the sacrifices required by monetary union.

In addition, Mr. Jospin's economic pragmatism has begun to inspire cautious optimism among many French people. His popularity is likely to continue benefiting from this image as a result of the finance bill, which he described Wednesday as "a thrifty budget."

Mr. Jospin's government has benefited from an unexpected surge in domestic consumption and economic growth. Already, officials said, the rising tide has helped France get its deficit down to 3.1 percent for this year.

That performance was helped by a controversial one-time operation in which the previous government took over 37.5 billion francs of pension funds from France Telecom. In his plans for reaching next year's 3 percent level, Mr. Strauss-Kahn said that his calculations offered "full transparency" — apparently meaning that he had not resorted to any similar expedient.

A potential disappointment in the budget was its overall indifference to the need seen by many economists for France to tackle the problem of long-standing expensive entitlements such as civil servants' pensions or to offer any major incentives to promote structural changes in the labor market.

The Socialist government, behaving prudently before critical nationwide talks on employment next month, has said that it will start tackling entitlements next year, with a view to achieving stronger redistribution to benefit low-income groups.

Mr. Strauss-Kahn's ability to live comfortably within the budget will depend heavily on two gambles: the impact of painful new taxes and the high

See FRANCE, Page 14

Gucci's Warning on 2d Half Overshadows Profit Growth

Bloomberg News

MILAN — Gucci Group NV said Wednesday its first-half net profit rose 29 percent from a year earlier, but the Florence-based maker of luxury goods said economic troubles in some of its largest markets might slow second-half sales of its signature leather bags, silk scarves, shoes and clothing.

Gucci's shares fell 16 percent on the Amsterdam exchange and were off equally sharply in New York after the company said first-half net income rose to $90.3 million. The result was below many analysts' predictions.

"The reaction was violent," said Flavio Cereda of ABN-AMRO Hoare Govett in London. "The question is whether there are quarter-specific problems or whether there is more to it than that."

Gucci's warning about sales growth in Asia, which accounts for as much as 40 percent of global sales for some luxury goods, follows similar forecasts by other makers of designer clothes, jewelry and liquors. Japan's sluggish economy and the slide in the value of currencies elsewhere in Asia have cut demand for expensive products, hurting the luxury-goods makers' shares.

"The macroeconomic climate in certain of our most important markets has recently been difficult," Gucci's chief executive, Domenico De Sole, said, and this will "restrict" second-half growth.

In late New York trading, Gucci shares were down $10.325 at $47.875. In Amsterdam, they fell 19 guilders to 96.50 ($47.73).

Morgan Stanley & Co. reduced its rating on Gucci shares to "neutral" from "strong buy." The move especially affected the stock because Morgan Stanley led the group that handled both of the company's public stock offerings.

Concerns about Asian sales have been compounded by the sharp drop in the value of several Asian currencies since July, which makes imports more expensive for consumers in those countries.

IMF's Thai Honeymoon: Will People's Gratitude Last?

By Thomas Crampton
Special to the Herald Tribune

BANGKOK — Before Thailand's economic bubble burst, Siriwat Voravejvutkuth built 28 luxury condominiums near a golf course and a reputation as a skilled stock player.

Now he sells tuna fish sandwiches and iced coffee below an escalator in the Bangkok General Hospital.

"By the time the units were finished early this year, I could not sell a single one," Mr. Siriwat said. "I am not just broke, I have a lot of debt." Faced with a frozen credit line and out of cash, Mr. Siriwat set his staff to making sandwiches to meet the payroll.

A casualty of the economic crisis that sent currencies tumbling across the region and forced Thailand to plead for a $17.2 billion bailout from the International Monetary Fund, Mr. Siriwat said he was pleased to see outside hands now helping guide the country's economy. Speaking of the IMF, he said: "It is good that they come in to discipline the government, make them spend less and not use money for corruption."

Other Asian countries — notably China and Malaysia — recently criticized the IMF and the World Bank as Western-biased institutions bent on opening fragile local markets to foreign exploitation.

But in Thailand, little more than a month after the government signed onto the largest IMF program since it bailed out Mexico, people from almost all sections of society welcome the organization and its ability to frog-march reluctant ministers into making tough policy decisions.

While there appears to be widespread and growing anger at the country's worsening financial plight and what is perceived to be government ineptitude in running the economy, this frustration has not spread to condemnation of the role of the Western-supported financial institutions.

"There is certainly humiliation, because acceptance of the IMF is acceptance that we cannot deal with our own problems," said Pansak Vinyaratn, former adviser to a one-time prime minister and senior minister, Chatichai Choonhavan. "But there is no animosity toward the IMF as such. Right now, we need this sort of 'superauditor' checking our books."

During a censure motion Wednesday afternoon, opposition politicians had their chance to vent their anger at the government, charging the 10-month-old-coalition led by Prime Minister Chaowalit Yongchaiyudh with irresponsible behavior that bankrupted the country.

"Chaowalit and his administration have damaged the country, particularly the economy, where they have left us bankrupt," Chuan Leekpai, leader of the opposition Democrat Party, told a packed House of Representatives.

"It's never before happened in Thailand that all levels of society have felt the effects of an economic downturn so severely," Mr. Chuan said.

These sentiments were echoed outside the Parliament at the nearby camp of a long-standing protest by the Assembly for the Poor.

Paichit Sirarak, a rice farmer from Sisaket Province, strung up a new banner between the trees, adding to the dozen already hanging: "IMF: Policy must be accountable and transparent," the banner said in English. All others were written in Thai and dealt with compensation for confiscated land.

The banner was made to lead a march last week when the assembly, an umbrella organization of 121 nongovernmental organizations, delivered a letter urging IMF consideration of the plight of the poor.

Mr. Paichit is not exactly sure what the IMF does, but he hopes it can help Thailand's poor.

"Although the IMF comes into Thailand, it will not be able to stop government corruption," he said. "I don't know if it is good or bad yet, but if the IMF improves the economy soon, it will be good."

With bailout measures only starting to bite, however, some warn that Thailand's IMF honeymoon may soon turn sour.

The IMF-sanctioned move

See THAILAND, Page 18

CURRENCY & INTEREST RATES

Cross Rates

Sept. 24

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9945	3.2675	1.1262	0.3352	0.1154*	—	5.456*	1.3692	1.6622*	1.4365	1.3345*
Brussels	36.845	59.50	20.6415	6.147	2.1149*	18.3325	—	25.1725	0.3054	26.4025	24.475*
Frankfurt	1.7808	2.8734	—	0.2976	0.1124*	0.8881	4.845*	1.2137	1.4804*	1.29	1.1853*
London (a)	1.6125	—	2.8569	9.5996	2,788.74	3.2149	58.9772	2.349	193.4194	2.2289	241.109
Madrid	149.342	241.838	84.374	25.172	8.642*	74.93	4.0079	102.472	124.764*	107.519	—
Milan	1,738.40	2,812.30	975.58	290.25	—	866.95	47.25	1,186.90	14.486	1,251.38	11.57
New York (b)	—	1.6138a	1.7738	5.957	1,729.00	1.9967	36.59	1.459	120.37	1.3883	149.635
Paris	5.947	9.5985	3.3599	—	0.3442*	2.9838	0.1628	4.0886	4.9603*	4.3812	3.9815*
Tokyo	119.95	193.86	67.13	19.99	0.689	59.63	3.2516	81.79	—	86.33	0.7962
Toronto	1.3878	2.2395	0.783	0.2331	0.0803*	0.6956	0.3795*	0.9518	1.1533*	—	0.928*
Zurich	1.4595	2.3525	0.8222	0.2447	0.0843*	0.7324	3.9845*	—	1.2151*	1.0512	0.9743*
1 ECU	1.1114	0.6886	1.9671	6.6094	1,928.47	2.2151	40.6013	1.6197	133.832	1.5438	166.806
1 SDR	1.3642	0.8464	2.432	8.1127	2,357.28	2.7189	58.2772	1.9999	163.563	1.8862	203.765

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	280.23	Mex. peso	7.79	S. Afr. rand	4.6915
Australian $	1.3868	Hong Kong $	7.7382	N. Zealand $	1.5684	S. Kor. won	914.20
Austrian sch.	12.48	Hung. forint	196.77	Norw. krone	7.1735	Swed. krona	7.5543
Brazil real	1.0946	Indian rupee	36.25	Phil. peso	33.30	Taiwan $	28.60
Chinese yuan	8.3154	Indo. rupiah	2990.0	Polish zloty	3.44	Thai baht	35.30
Czech koruna	33.37	Irish £	0.6793	Port. escudo	180.25	Turkish lira	172845.
Danish krone	6.7480	Israeli shek.	3.5071	Russ ruble	5856.5	UAE dirham	3.6725
Egypt. pound	3.4003	Kuw. dinar	0.302	Saudi riyal	3.75	Venez. boliv.	496.00
Fin. markka	5.2905	Malay. ring.	3.05	Sing. $	1.5100		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6127	1.6106	1.6083	Japanese yen	119.19	118.68	118.17
Canadian dollar	1.3855	1.3833	1.3809	Swiss franc	1.4589	1.4572	1.4560
Deutsche mark	1.7698	1.7663	1.7627				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Sept. 24

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 9/16 - 5 5/8	3 1/8 - 3 3/16	1 1/4 - 1 3/8	7 - 7 1/16	3 5/16 - 3 7/16	1/2 - 5/8	4 1/8 - 4 1/4
3-month	5 11/16 - 5 3/4	3 5/16 - 3 7/16	1 5/16 - 1 7/16	7 3/16 - 7 5/16	3 1/4 - 3 3/8	1/2 - 9/16	4 5/16 - 4 7/16
6-month	5 13/16 - 5 7/8	3 7/16 - 3 9/16	1 1/2 - 1 5/8	7 3/8 - 7 1/2	3 3/8 - 3 1/2	1/2 - 9/16	4 7/16 - 4 9/16
1-year	5 13/16 - 5 15/16	3 5/8 - 3 3/4	1 3/4 - 1 7/8	7 9/16 - 7 11/16	3 11/16 - 3 3/4	9/16 - 5/8	4 1/4 - 4 3/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 1/2	5 5/8
90-day CDs dealers	5.60	5.59
180-day CP dealers	5.50	5.53
3-month Treasury bill	4.80	4.85
1-year Treasury bill	5.17	5.19
2-year Treasury bill	5.76	5.81
5-year Treasury note	5.97	6.02
7-year Treasury note	6.00	6.05
10-year Treasury note	6.04	6.09
30-year Treasury bond	6.32	6.39
Merrill Lynch 30-day RA	5.08	5.08
Japan		
Discount rate	0.50	0.50
Call money	0.44	0.45
1-month interbank	0.58	0.62
3-month interbank	0.54	0.54
6-month interbank	0.54	0.54
10-year Govt bond	2.16	2.16
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.13
1-month interbank	3.20	3.20
3-month interbank	3.31	3.31
6-month interbank	3.47	3.47
10-year Bund	5.51	5.77

Britain		
Bank base rate	7.00	7.00
Call money	7 1/16	7 1/16
1-month interbank	7 1/8	7 1/8
3-month interbank	7 1/4	7 1/4
6-month interbank	7 3/8	7 7/16
10-year Gilt	6.61	6.63
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 3/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 5/16	3 3/8
6-month interbank	3 7/16	3 7/16
10-year OAT	5.45	5.48

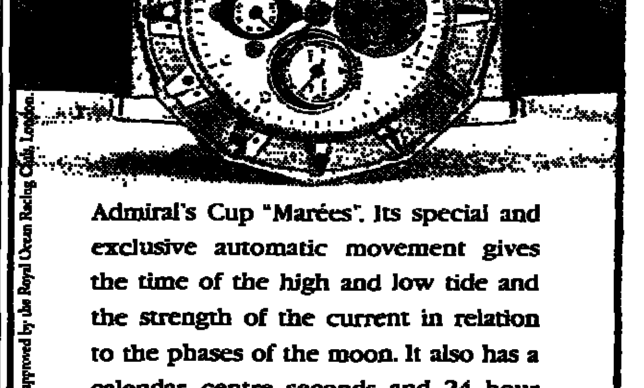
Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	322.80	+2.10
London	322.00	322.70	+1.80
New York	324.80	325.80	+1.50

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

SPIRIT OF THE SEA



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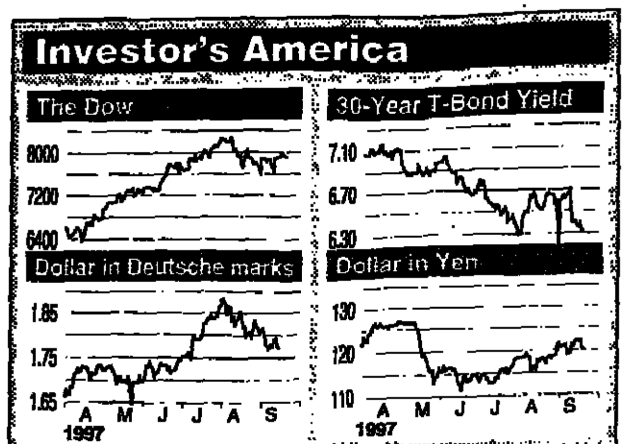


Exchange	Index	Wednesday @ 4 P.M.	Prev. Close	% Change
NYSE	The Dow	7906.71	7970.06	-0.79
NYSE	S&P 500	944.48	949.60	-0.54
NYSE	S&P 100	912.55	919.73	-0.78
NYSE	Composite	494.27	496.95	-0.54
U.S.	Nasdaq Composite	1687.41	1697.36	-0.59
AMEX	Market Value	686.07	685.46	+0.09
Toronto	TSE Index	7006.70	7006.60	+0.00
São Paulo	Bovespa	11487.96	11463.08	+0.22
Mexico City	Bolsa	5221.17	5249.90	-0.55
Buenos Aires	Merval	818.13	807.18	+1.36
Santiago	IPSA General	5506.74	5521.32	-0.26
Caracas	Capital General	N.A.	10817.13	-

Source: Bloomberg, Reuters — International Herald Tribune

'One-Two Punch' From Tokyo And Frankfurt Wallops Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The dollar tumbled against the Deutsche mark and the yen Wednesday after the chief of the Bundesbank came out in support of a strong mark and a key Japanese Finance Ministry official suggested that the Group of Seven nations supported a stronger yen.

"I will clearly say that the mark must remain a strong currency and not depreciate against the big world currencies," Hans Tietmeyer, president of the German central bank, said in an interview to be published Thursday in the German daily Flensburger Tagesblatt.

In Tokyo, Eisuke Sakakibara, the deputy finance minister for international affairs, said the agreement by the seven leading industrialized nations to avoid "excessive" currency depreciation was a "strong message on the yen and dollar," Jiji Tsushin-Sha reported. Mr. Sakakibara is known as Mr. Yen for his ability to move currency markets with carefully timed statements.

"It was a one-two punch," said Rob Hayward of Bank of America. "The dollar was hit first by the yen and then the mark after combined remarks by Sakakibara and Tietmeyer suggested a concerted move to push the dollar down."

At 4 P.M., the dollar was at 1.7728 DM, compared with 1.7936 DM on Tuesday. Against the yen, the dollar was at 120.370, down from 121.505 yen, after recovering from a low of 119.200 yen.

Traders will get a fuller picture of how the Japanese economy is faring

FOREIGN EXCHANGE

next Wednesday, when the Bank of Japan releases the results of its *tankan* survey of business sentiment. The quarterly survey asks managers of 10,000 companies for their views of business conditions.

Tokyo said this month that the economy contracted in the second quarter as an April increase in the national sales tax continued to curtail consumer demand.

Still, while the weakness of the Japanese economy is seen as undermining the yen, Washington's concern over Japan's ballooning trade surplus with the United States should make investors cautious about pushing the dollar too high.

The dollar rose against the mark Tuesday after a series of German reports indicated a deceleration in inflation in September, suggesting no imminent need for higher German rates. Increased interest rates make deposits in a currency relatively attractive.

"There is a turn in sentiment related to Tietmeyer's hawkish comments," said James McKay of PaineWebber International. "It is obvious the Bundesbank is still concerned about the dollar-mark level, and the dollar will remain vulnerable to other rhetoric."

Before Mr. Tietmeyer's newspaper comments became public Wednesday, a Bundesbank council member, Franz-Christoph Zeitler, said a deceleration in inflation would not mark the end of the inflation "alarm bell." Mr. Zeitler's comments kept alive the possibility that the central bank would raise the benchmark German money-market rate from its 3 percent level.

In the interview with the Flensburger Tagesblatt, Mr. Tietmeyer said the defense of the mark would also benefit the planned new European single currency.

"As long as we are responsible for the mark," he said, "we will do everything to ensure that full confidence remains so that we can bring this confidence also to the euro."

He added that the euro "will have a good chance of becoming the second-largest reserve currency, after the dollar." Against other major currencies, the dollar fell to 5.9510 French francs from 6.0286 francs and to 1.4590 Swiss francs from 1.4700 francs. The pound rose to $1.6138 from $1.6140.

(Bloomberg, Reuters)

Stocks Slip On Tobacco's New Worry

Compiled by Our Staff From Dispatches

NEW YORK — Stocks slipped Wednesday as tobacco stocks fell after a court ruling in Brazil raised concern that the companies would be vulnerable to lawsuits outside the United States.

Brokerage stocks advanced after Travelers Group announced its agreement to buy Salomon.

The Dow Jones industrial average fell 63.35 points to end at 7,906.71.

The Standard & Poor's 500 index fell 7.45 points to 944.48, while the Nasdaq composite index slipped 9.95 points to 1,687.41.

Stocks were showing strong gains earlier in the day as bond yields

U.S. STOCKS

fell. The price of the benchmark 30-year Treasury bond rose 28/32 to 100 24/32, pushing its yield down to 6.31 percent from 6.39 percent.

A Brazilian judge ruled against a unit of the British tobacco concern BAT Industries in a lawsuit filed by a smoker's family. The verdict, awarding the equivalent of about $82,000 and a pension to the smoker's family, was the first damage award against a tobacco company outside the United States, according to Gary Black, an analyst at Sanford C. Bernstein & Co. Philip Morris shares dropped ½ to 41¾.

Shares in Bankers Trust New York fell 2⅜ to 121 13/16 after rising last week on speculation that Travelers was considering a bid for the company.

Stock in Avis Rent-A-Car rose 5¾ to 22¾ in its first day of trading. HFS Inc., Avis's parent company, sold 19.5 million shares, or about 70 percent of Avis, at $17 each. HFS is keeping control of Avis's reservation system, and the company will have to pay a royalty to use the Avis name.

The industry leader, Hertz, went public in April, and its stock has risen more than 50 percent since then.

Shares in Unisys rose ⅜ to 12½ a day after the computer-services company hired Lawrence Weinbach, credited with broadening the accounting firm Arthur Andersen into a worldwide consulting company, to be chief executive.

Camelot rose 2 21/32 to 6 1/16 on news the company was holding talks to license its Internet videoconferencing technology to personal-computer makers. *(Bloomberg, AP)*

Very briefly:

Seagram to Buy Back More Shares

MONTREAL (Bloomberg) — Seagram Co. said Wednesday it planned to buy back as many as 10 percent of its shares for about 1.14 billion Canadian dollars ($828.5 million) in the next year, a move analysts say is an attempt to prop up shares that have fallen during a record year for the stock markets.

The beverage and entertainment company said it might buy as many as 22.9 million of its 228.5 million common shares outstanding. The company has bought 18.8 million of its shares in the past 12 months for $711.5 million. Seagram's shares fell 37.5 cents to close at $35.625.

- **ValuJet Inc.** shares rose surged after the carrier changed its name to AirTran Airlines. Its stock was up $1.59375 at $6.46875 in late trading. ValuJet dropped its name as part of a deal to buy **AirWays Corp., parent of AirTran Airways.**
- **Hoechst AG** shares started trading on the New York Stock Exchange on Wednesday, finishing 43.75 cents higher, at $44.1875. The German pharmaceutical and chemical company joins two other German companies, **Daimler-Benz AG** and **SGL Carbon AG**, with a full listing on the Big Board.
- **Shell Oil Co.** plans to acquire the natural-gas pipeline company **Tejas Gas Corp.** for $61.50 a share, or $1.45 million, plus the assumption of $900 million in debt.
- **PepsiCo Inc.** named Philip Marineau president and chief executive officer of one of its beverage divisions, Pepsi-Cola North America, effective Dec. 1. He will succeed Brenda Barnes, who is to retire after 22 years at PepsiCo.
- **Microsoft Corp.** has filed lawsuits against three Southern California companies alleging copyright and trademark infringement.
- **U.S. funds** that invest in stocks have gained 10.99 percent so far in the third quarter, according to **Lipper Analytical Services Inc.** The average world stock mutual fund is down 2.11 percent. *Bloomberg, Reuters, AFX*

FRANCE: *Budget Contains New Taxes and Spending Cuts*

Continued from Page 13

projected growth rate, a factor that will be critical in determining how much tax revenue actually reaches the government's coffers.

New taxes are expected to generate 15 billion francs — 9 billion francs from business in the form of higher rates on corporate profits and 5 billion French francs from private taxpayers, mainly via higher rates on capital gains and earnings from savings plans. The government also canceled a planned 14 billion franc tax cut and closed a series of loopholes for investors.

Other fresh taxes are expected next month when the government will set the social security budget, which is separate from the government budget. It plans to widen the tax base in France — where currently only half the nation's households have income taxes to pay — by reducing mandatory health-insurance payments on wage-earners and shifting the burden to a general tax on all income, including many previous tax-exempt savings plans.

With government spending now amounting to 54.5 percent of France's gross national product, the highest share in any major industrial country, "France is reaching the point where capital could start fleeing the country if the burden gets any heavier," said a French investment banker voicing a commonly held view in Paris.

But Mr. Strauss-Kahn contended that most households would gain 2 percent in purchasing power with the tax adjustments, notably the plan to spread health-care costs to investors and not just people on payrolls.

"Sustainability is going to be the question that gets asked a lot about this budget, especially in Germany," according to Mr. Horne. He and other economists have noted that French growth has been fitful — in contrast to what he called the improving picture in Germany in recent months.

If growth falters, it could increase demands for state help — a pattern seen in recent years when few French governments have managed to hold the line on planned spending.

For example, the Finance Ministry can expect demands for subsidies from business as the price of hiring more people to help meet the government's priority of reducing the ranks of France's 12.5 million unemployed.

The major beneficiary of the budget was the Employment Ministry headed by Martine Aubry, which got a 3.6 percent increase, and other ministries such as education that are involved in a 10 billion franc program to create 350,000 entry-level public sector jobs.

The government brushed off complaints by President Jacques Chirac that this employment plan was a "fallacious" substitute for hiring in the private sector, saying that such criticism was out of touch with French voters' desperation to see jobs materialize now.

The military procurement budget, already hard hit last year, was cut another 9 percent, to 81 billion francs. In practice, that means a near-freeze on most new weapons programs.

Details remain to be worked out, but Defense Minister Alain Richard said that 15,000 jobs could be lost.

A program that survived unscathed was the development and production of spy satellites intended to reduce France's dependence on the United States for strategic intelligence.

Price Cuts At Compaq

Bloomberg News

HOUSTON — Compaq Computer Corp. cut prices on desktop personal computers as much as 15 percent, citing cost savings by shifting to a build-to-order system similar to that used by a rival, Dell Computer Corp.

The personal-computer maker said it reduced the price of an entry-level Deskpro 2000 by 5 percent to $949, from $999.

Prices have been falling steadily in the personal-computer industry as manufacturers pass on to the consumer reductions in the cost of components such as microprocessors and memory chips.

Compaq also cited "significant gains in efficiency" by adopting Dell's method of making computers to fill a specific customer order, instead of building up inventory to meet expected demand.

AMEX

Wednesday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7979.89	8035.63	7901.30	7906.71	-63.35
Trans	3158.41	3174.53	3155.05	3168.64	+12.60
Util	240.81	243.30	240.04	242.18	-3.74
Comp	2543.89	2560.15	2530.47	2532.68	-8.89

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1118.15	1109.67	1114.34	1104.11
Transp.	699.52	689.38	693.15	690.64
Utilities	207.50	206.23	206.88	206.07
Finance	112.67	111.30	111.78	111.52
SP 500	955.78	948.07	951.93	944.48
SP 100	923.74	915.93	919.73	912.55

NYSE

	High	Low	Last	Chg.
Composite	500.70	494.22	494.27	-2.68
Industrials	630.41	621.51	621.59	-4.30
Transp.	461.10	458.11	458.74	-1.24
Utility	299.19	296.14	296.19	-0.87
Finance	473.17	468.02	468.06	-0.77

Nasdaq

	High	Low	Last	Chg.
Composite	1702.49	1686.07	1687.41	-9.95
Industrials	1371.18	1361.64	1361.97	-5.54
Banks	1880.54	1872.47	1874.43	-0.28
Insurance	1810.73	1798.26	1800.86	-2.60
Finance	2235.28	2225.22	2232.47	+7.12
Transp.	1107.13	1092.25	1106.18	+7.84

AMEX

High	Low	Last	Chg.
688.83	684.46	686.07	+0.62

Dow Jones Bond

	Close	Chg.
20 Bonds	104.19	+0.07
10 Utilities	102.08	+0.23
10 Industrials	106.31	-0.08

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Avis n	145257	[illegible]	[illegible]	[illegible]	[illegible]
Unisys	114205	[illegible]	[illegible]	[illegible]	[illegible]
ChemT	108025	[illegible]	[illegible]	[illegible]	[illegible]
Motorsn	85781	[illegible]	[illegible]	[illegible]	[illegible]
Fed/Star	78191	[illegible]	[illegible]	[illegible]	[illegible]
Salomn	75136	[illegible]	[illegible]	[illegible]	[illegible]
Compaq s	73244	[illegible]	[illegible]	[illegible]	[illegible]
Travelrs s	72384	[illegible]	[illegible]	[illegible]	[illegible]
PhilMor s	68257	[illegible]	[illegible]	[illegible]	[illegible]
CygSem	66323	[illegible]	[illegible]	[illegible]	[illegible]
PepsiCo	64170	[illegible]	[illegible]	[illegible]	[illegible]
AT&T s	67187	[illegible]	[illegible]	[illegible]	[illegible]
K mart	61179	[illegible]	[illegible]	[illegible]	[illegible]
Gucci	58843	[illegible]	[illegible]	[illegible]	[illegible]
WstgEl	56879	[illegible]	[illegible]	[illegible]	[illegible]

Nasdaq

	Vol.	High	Low	Last	Chg.
3Com	153310	53¾	51¼	52¼	-⅝
JD Edwr n	150053	36½	33	35¾	—
Intel s	122217	99⅛	96⅞	96¾	-2⅝
TeleComA	112159	19¼	19¼	19¼	-⅛
Oracle s	99065	39⅜	37⅛	38	+⅞
Informix	72547	6⅞	6⅜	6⅜	-⅛
Ascend	71922	38⅝	36⅝	36⅝	-1⅞
DellCptr s	61029	101¼	97⅞	98	-2⅛
Microsft s	59868	136⅛	133	133⅛	-2⅛
Cisco	58379	76⅛	73⅝	73⅝	-2⅛
Quantum s	47102	43¼	40⅞	41⅛	-1⅛
RamSft	44882	16¼	15⅛	15⅞	-⅜
ValuJet	44241	6⅝	4	6½	+1⅝
WorldCm	40825	36⅛	35⅛	36	+⅛
AmtrnPt	39779	4½	3⅞	4½	+⅛

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	26953	96⅛	94⅝	94⅞	-⅝
Autotote	22216	2½	1⅞	2½	+½
AndreaE s	17888	34⅛	27½	27½	-4½
IvaxCp	13085	12	10⅝	11¼	+⅛
RoyalO g	12501	2⅜	2⅛	2⅛	+⅛
PegGld	11925	4½	4⅜	4⅝	+⅛
EchoBay	11896	4⅝	4⅜	4⅝	—
ViacB	9445	32⅝	31⅝	31⅝	-⅝
TubMex	8397	24⅛	22⅝	22⅝	-1⅛
XCL Ltd	7207	⅝	½	½	—

Trading Activity

NYSE

	Close	Prev.
Advanced	1446	1308
Declined	1458	1553
Unchanged	498	558
Total Issues	3402	3419
New Highs	282	256
New Lows	12	13

Nasdaq

	Noon	Prev.
Advanced	1814	2171
Declined	1587	2101
Unchanged	2023	1457
Total Issues	5424	5729
New Highs	204	393
New Lows	38	43

AMEX

	Close	Prev.
Advanced	311	291
Declined	288	295
Unchanged	148	178
Total Issues	747	764
New Highs	57	62
New Lows	6	3

Market Sales

	Today 4:00	Prev. cons.
NYSE	645.04	631.71
Amex	28.58	39.16
Nasdaq	721.96	755.21

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Nissan Motor ADR	b	.0492	9-29	—
Sifco Indus	-	.15	10-9	10-23
STOCK SPLIT				
Amer Bncp W Va 2 for 1 split.				
Berg Electronics 2 for 1 split.				
INCREASED				
Bell Atlantic Cp	Q	.77	10-10	11-3
Greater Cmmnity	Q	.10	10-15	10-31
Horizon Fncl	Q	.11	10-9	11-5
OMITTED				
Hydron Tech		-		
SPECIAL				
Gulf CdaRes adj	c	.01	9-30	10-14
c- payment in arrears.				
REGULAR				
ACM Gvt Income	M	.075	10-3	10-17
ACM Gvt Opport	M	.0525	10-3	10-17
ACM Gvt Spec	M	.0475	10-3	10-17
ACM Muni Sec	M	.075	10-3	10-17
Alliance WldDR	M	.1186	10-3	10-17
Amer Bncpl OH.	Q	.25	10-6	10-10
Apco Argentina	Q	.1625	10-3	10-17
BEA Inco Fd	M	.06	10-7	10-15
Bombardier A g	M	.075	10-17	10-31
CIGNA Corp	Q	.83	12-12	1-10
CVB Financial	Q	.10	10-6	10-21
Eufaula Bncp	Q	.0525	9-30	11-15
General Gwth	Q	.45	10-15	10-31
Gulf CdaRes ad	M	.016	9-30	10-14
Hallwood Engy A	Q	.13	9-30	11-15
Hallwood Engy C	Q	.25	9-30	11-15
LaSalle Re Holdgs	Q	.71	10-3	10-17
Lukens Inc	Q	.25	11-3	11-21
Magna Intl A g	Q	.30	9-30	10-15
North Fork Bncp	Q	.15	10-23	11-14
Philips Van Heu	Q	.0375	11-18	12-4
Stratton MntlyDiv	M	.16	9-30	10-8
Todd-AO Cp A	Q	.015	10-10	10-31
Tyson Foods A	Q	.025	12-1	12-15

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Sept. 24, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Dec 97	262	260¼	261	[illegible]	192,[illegible]
Mar 98	270	[illegible]	270	-1	[illegible]
May 98	276½	[illegible]	[illegible]	[illegible]	[illegible]
Jul 98	280	278¼	[illegible]	[illegible]	[illegible]
Sep 98	275	271½	[illegible]	[illegible]	[illegible]
Dec 98	271	269¼	[illegible]	[illegible]	[illegible]
Jul 99			263	unch.	22

Est. sales 37,000 Tue's sales 35,774
Tue's open int 310,918, off 196,898

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	OpInt
Oct 97	222.50	216.70	219.90	-0.50	24,742
Dec 97	207.20	202.50	205.90	-1.20	45,329
Jan 98	204.30	200.50	203.10	-1.60	12,938
Mar 98	199.60	197.00	198.20	-0.80	11,451
May 98	198.60	195.00	197.30	-1.50	11,241
Jul 98	199.80	197.50	192.60	-1.10	5,799

Est. sales 19,000 Tue's sales 17,301
Tue's open int 113,148, up 1,468

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	OpInt
Oct 97	23.75	23.34	23.70	-0.26	12,811
Dec 97	24.14	23.71	24.12	+0.33	54,100
Jan 98	24.32	23.93	24.32	+0.35	14,926
Mar 98	24.57	24.20	24.57	+0.36	8,449
May 98	24.65	24.42	24.65	+0.32	5,401
Jul 98	24.80	24.50	24.70	-0.27	4,965

Est. sales 16,000 Tue's sales 12,780
Tue's open int 101,484, up 363

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Nov 97	640	630	638¾	+7¼	97,456
Jan 98	643	634½	640¾	+5½	25,107
Mar 98	650	642½	648¾	+5½	10,253
May 98	658	650	656½	+6	8,958
Jul 98	664½	657	664	+6½	10,211

Est. sales 44,000 Tue's sales 36,071
Tue's open int 155,429, up 1,654

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Dec 97	368¼	362½	365¼	-1¼	60,512
Mar 98	383	376½	379½	-1½	24,021
May 98	388½	383	385½	-3	4,909
Jul 98	390	383½	386	-2½	10,243

Est. sales 12,000 Tue's sales 10,753
Tue's open int 102,270, up 1,403

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	68.15	67.45	67.52	-0.42	26,152
Dec 97	68.70	67.75	67.77	-0.90	34,614
Feb 98	71.27	70.65	70.70	-0.50	15,674
Apr 98	74.00	73.52	73.57	-0.40	9,500
Jun 98	70.52	70.15	70.22	-0.27	6,567
Aug 98	70.25	69.90	69.90	-0.12	1,854

Est. sales 16,004 Tue's sales 15,660
Tue's open int 94,415, up 185

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Sep 97	79.42	79.20	79.25	-0.20	1,857
Oct 97	79.55	78.42	78.50	-0.95	7,296
Nov 97	80.47	79.60	79.67	-0.80	3,867
Jan 98	81.30	80.65	80.72	-0.75	3,182
Mar 98	81.15	80.35	80.37	-0.77	1,762
Apr 98	81.05	80.50	80.50	-0.62	615

Est. sales 5,153 Tue's sales 4,047
Tue's open int 19,289, off 440

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	70.62	69.80	70.12	+0.07	17,523
Dec 97	66.30	65.50	65.70	-0.10	10,915
Feb 98	65.10	64.62	64.75	-0.15	3,993
Apr 98	62.00	61.75	61.80	-0.02	1,668
Jun 98	67.25	67.00	67.20	+0.05	1,031

Est. sales 7,555 Tue's sales 7,187
Tue's open int 30,333, up 23

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Feb 98	64.10	62.90	63.90	-0.82	5,043
Mar 98	63.85	63.00	63.70	+0.87	470
May 98	65.00	64.22	64.22	+0.42	114

Est. sales 2,285 Tue's sales 1,728
Tue's open int 5,694, up 86

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	OpInt
Dec 97	1695	1664	1691	+33	41,228
Mar 98	1721	1697	1718	+31	29,118
May 98	1738	1722	1738	+30	11,991
Jul 98	1758	1750	1758	+29	3,471
Sep 98	1773	1758	1773	+26	4,510
Dec 98	1789	1785	1789	+25	6,720

Est. sales 13,579 Tue's sales 5,084
Tue's open int 107,074, up 634

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Dec 97	171.50	168.00	168.75	-0.10	13,053
Mar 98	159.00	156.00	156.10	-0.80	5,725
May 98	152.75	151.00	151.15	-0.35	1,793
Jul 98	148.00	146.15	146.15	+0.15	1,726
Sep 98	141.75	141.15	141.15	+0.65	481

Est. sales 5,092 Tue's sales 7,116
Tue's open int 23,024, up 190

SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	11.02	10.75	10.76	-0.22	30,212
Mar 98	11.42	11.40	11.41	-0.15	86,110
May 98	11.73	11.58	11.59	-0.09	21,917
Jul 98	11.58	11.43	11.45	-0.09	16,429

Est. sales 43,234 Tue's sales 25,257
Tue's open int 169,941, off 4,847

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Nov 97	[illegible]	[illegible]	69.90	-0.45	12,540
Jan 98	[illegible]	[illegible]	72.90	-0.45	9,523
Mar 98	[illegible]	[illegible]	75.50	-0.45	6,239
May 98	[illegible]	[illegible]	76.60	-0.50	1,577

Est. sales N.A. Tue's sales 2,252
Tue's open int 36,9[illegible], off 9

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Sep 97			323.60	-1.40	46
Oct 97	324.40	323.00	324.00	-1.40	6,577
Nov 97			324.70	+1.50	
Dec 97	326.40	324.00	325.90	+1.70	116,945
Feb 98	329.30	326.70	327.60	+1.80	15,585
Apr 98	329.50	328.60	329.40	+1.80	5,752
Jun 98	331.50	330.60	331.30	+1.80	8,844
Aug 98			333.40	+1.90	4,487
Oct 98			335.50	-1.90	350

Est. sales 35,000 Tue's sales 21,151
Tue's open int 201,439, off 945

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Sep 97	94.70	93.50	94.35	-0.55	1,767
Oct 97	94.20	94.10	94.65	+0.55	3,106
Nov 97	95.70	95.20	95.35	+0.55	1,820
Dec 97	96.20	94.80	95.80	-0.60	27,592
Jan 98	95.30	95.80	95.80	+0.50	1,045
Feb 98			95.80	+0.60	1,060
Mar 98	96.20	95.65	95.80	+0.50	4,754
Apr 98	96.30	95.70	95.70	+0.50	869
May 98	96.30	95.70	95.70	+0.50	2,351

Est. sales 5,500 Tue's sales 4,534
Tue's open int 52,294, up 40

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	OpInt
Sep 97	471.10	468.00	471.10	+5.80	193
Oct 97			471.70	+5.80	78
Nov 97			473.50	+5.80	
Dec 97	476.00	470.00	475.50	+6.00	52,671
Jan 98			477.00	+6.00	22
Mar 98	483.00	479.00	481.80	+6.00	13,133
May 98	486.50	485.00	485.30	+6.00	3,266
Jul 98			488.90	+6.00	2,363

Est. sales 9,000 Tue's sales 9,139
Tue's open int 78,039, up 360

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Oct 97	440.00	434.20	438.00	+2.50	8,405
Jan 98	428.40	422.50	425.00	+2.50	4,728
Apr 98	414.00	410.00	415.00	+2.50	645
Jul 98			411.00	+2.50	3

Est. sales N.A. Tue's sales 5,289
Tue's open int 13,801, off 179

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1631.00	1632.00	1654.00	1655.00
Forward	1638.00	1639.00	1659.00	1660.00
Copper Cathodes (High Grade)				
Spot	2082½	2084½	2071½	2072½
Forward	2110.00	2112.00	2100½	2101½
Lead				
Spot	639.00	640.00	627.00	628.00
Forward	647.00	648.00	638.00	639.00
Nickel				
Spot	6340.00	6345.00	6375.00	6385.00
Forward	6440.00	6445.00	6470.00	6480.00
Tin				
Spot	5565.00	5575.00	5570.00	5580.00
Forward	5620.00	5625.00	5625.00	5630.00
Zinc (Special High Grade)				
Spot	1660.00	1665.00	1705.00	1710.00
Forward	1434.00	1435.00	1464.00	1465.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	OpInt
Dec 97	94.99	94.97	94.99	+0.02	4,795
Mar 98	94.99	94.96	94.99	+0.02	2,737

Est. sales 154 Tue's sales 348
Tue's open int 7,632, up 264

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	OpInt
Dec 97	107-42	107-24	107-39	- 12	233,731

Est. sales N.A. Tue's sales 22,697
Tue's open int 225,864, up 3,608

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Dec 97	110-22	110-06	110-18	+ 09	369,913
Mar 98	110-07	110-04	110-07	+ 09	12,106

Est. sales N.A. Tue's sales 34,982
Tue's open int 389,023, up 2,729

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	OpInt
Dec 97	116-15	115-14	116-09	+ 23	580,758
Mar 98	116-04	115-05	115-31	+ 23	36,771
Jun 98			115-20	+ 23	2,113
Sep 98			115-11	+ 24	1,906

Est. sales 315,000 Tue's sales 206,518
Tue's open int 640,743, up 5,569

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Sep 97	118-12	118-06	118-13	+0-08	2,674
Dec 97	117-31	117-20	117-30	+0-08	173,382

Est. sales 46,908 Prev. sales: 54,714
Prev. open int 176,073 up 1,518

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	OpInt
Dec 97	103.02	102.59	102.95	+0.27	273,718
Mar 98	102.15	101.85	102.14	+0.21	2,248

Est. sales: 177,222. Prev. sales: 111,793
Prev. open int 275,966 off 4,430

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	99.94	99.58	99.94	+ 0.30	137,740
Mar 98	99.38	98.98	99.32	+ 0.30	4,330

Est. sales: 58,490.
Open int.: 142,070 up 6,242.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	112.28	111.64	112.25	+0.41	118,094
Mar 98	N.T.	N.T.	112.10	+0.36	980

Est. sales: 51,976. Prev. sales: 48,955
Prev. open int.: 119,074 off 1,541

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	OpInt
Oct 97	94.37	94.36	94.37	unch.	28,787
Nov 97	94.34	94.32	94.33	unch	29,845
Dec 97	94.18	94.16	94.17	unch.	8,036

Est. sales 3,435 Tue's sales 2,764
Tue's open int 70,730, up 1,587

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	OpInt
Oct 97	94.26	94.25	94.25	unch.	22,691
Dec 97	94.20	94.17	94.19	unch.	585,004
Mar 98	94.15	94.11	94.14	+0.02	395,817
Jun 98	94.07	94.02	94.05	+0.02	305,943
Sep 98	93.99	93.94	93.97	+0.02	234,253
Dec 98	93.88	93.83	93.86	+0.02	206,316
Mar 99	93.87	93.82	93.85	+0.02	143,533
Jun 99	93.82	93.77	93.80	+0.02	113,648
Sep 99	93.78	93.73	93.77	+0.03	98,330
Dec 99	93.73	93.67	93.71	+0.03	81,495
Mar 00	93.72	93.67	93.71	+0.03	69,885
Jun 00	93.69	93.63	93.68	+0.04	57,090

Est. sales 310,124 Tue's sales 206,282
Tue's open int 2,629,228, up 5,819

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	OpInt
Dec 97	1.6130	1.6040	1.6084	+0.0008	28,497
Mar 98	1.6040	1.6000	1.6020	+0.0008	234
Jun 98			1.5960	+0.0008	27

Est. sales 4,340 Tue's sales 4,397
Tue's open int 28,758, up 10

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	OpInt
Dec 97	.7245	.7223	.7238	+0.0010	47,849
Mar 98	.7276	.7269	.7271	+0.0010	1,523
Jun 98	.7300	.7294	.7294	+0.0010	407

Est. sales 5,137 Tue's sales 4,612
Tue's open int 49,901, up 135

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	OpInt
Dec 97	.5682	.5600	.5674	+0.0067	55,579
Mar 98	.5708	.5700	.5705	+0.0068	2,288
Jun 98			.5735	+0.0069	2,513

Est. sales 22,131 Tue's sales 29,338
Tue's open int 60,480, off 2,685

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	OpInt
Dec 97	.8460	.8260	.8411	+.0112	75,891
Mar 98	.8562	.8331	.8522	+.0112	783
Jun 98			.8635	+.0113	165

Est. sales 17,788 Tue's sales 15,770
Tue's open int 76,840, off 330

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	OpInt
Dec 97	.6938	.6861	.6925	+0.0058	36,846
Mar 98	.7000	.6988	.6994	+0.0058	1,214
Jun 98			.7061	+0.0058	175

Est. sales 10,778 Tue's sales 10,218
Tue's open int 38,341, off 1,127

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	OpInt
Dec 97	.12435	.12340	.12422	+.00142	25,222
Mar 98	.12010	.11910	.11995	+.00106	8,086
Jun 98	.11635	.11570	.11625	+.00106	1,771

Est. sales 8,331 Tue's sales 15,456
Tue's open int 36,123, up 690

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	92.59	92.56	92.58	+0.02	131,035
Mar 98	92.60	92.56	92.58	+0.02	104,864
Jun 98	92.68	92.63	92.66	+0.02	87,741
Sep 98	92.81	92.75	92.78	+0.02	66,437
Dec 98	92.94	92.89	92.91	+0.01	60,642
Mar 99	93.07	93.02	93.05	+0.02	62,214
Jun 99	93.17	93.11	93.15	+0.03	39,939

Est. sales: 75,049. Prev. sales: 85,162
Prev. open int.: 636,406 off 2,719

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Oct 97	96.63	96.62	96.63	+0.02	6,439
Nov 97	96.54	96.54	96.54	+0.02	792
Dec 97	96.49	96.44	96.47	+0.03	289,478
Mar 98	96.28	96.22	96.25	+0.04	291,410
Jun 98	96.05	95.98	96.03	+0.05	245,878
Sep 98	95.87	95.79	95.83	+0.04	175,096
Dec 98	95.66	95.60	95.63	+0.04	157,514
Mar 99	95.50	95.42	95.47	+0.04	151,883
Jun 99	95.35	95.28	95.32	+0.04	75,104
Sep 99	95.20	95.14	95.18	+0.04	62,841

Est. sales: 239,074. Prev. sales: 216,078
Prev. open int.: 1,574,455 up 5,480

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	96.44	96.41	96.44	+ 0.04	35,257
Mar 98	96.23	96.18	96.22	+ 0.05	34,112
Jun 98	96.02	95.97	96.01	+ 0.06	27,228
Sep 98	95.86	95.81	95.86	+ 0.06	22,725
Dec 98	95.69	95.64	95.69	+ 0.06	25,998
Mar 99	95.55	95.50	95.55	+ 0.06	29,378

Est. sales: 65,689.
Open int.: 206,156 up 8.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Dec 97	94.06	93.98	94.05	+0.02	98,842
Mar 98	94.77	94.65	94.75	+0.03	89,807
Jun 99	95.14	95.01	95.12	+0.06	73,202

	High	Low	Latest	Chge	OpInt
Sep 98	95.21	95.07	95.19	+0.07	51,769
Dec 98	95.19	95.09	95.18	+0.08	42,434
Mar 99	95.11	95.02	95.10	+0.07	20,839
Jun 99	94.97	94.97	94.97	+0.05	10,315
Sep 99	94.84	94.71	94.83	+0.06	1,406

Est. sales: 80,688. Prev sales: 100,920
Prev. open int.: 388,894 up 8,029

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Oct 97	72.70	71.20	71.60	-1.29	75[illegible]
Dec 97	74.47	73.92	74.10	-0.32	48,507
Mar 98	75.55	75.10	75.20	-0.31	14,78[illegible]
May 98	76.20	75.65	75.73	-0.27	6,492
Jul 98	76.60	76.40	76.40	-0.35	6,092

Est. sales N.A. Tue's sales 26,079
Tue's open int 85,257, off 2,238

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Oct 97	55.35	54.05	55.24	+0.60	25,625
Nov 97	56.20	54.95	56.05	+0.55	37,9[illegible]
Dec 97	57.00	55.90	56.90	+0.50	26,05[illegible]
Jan 98	57.55	56.60	57.55	+0.50	21,249
Feb 98	57.75	56.80	57.75	+0.55	11,985
Mar 98	57.10	56.35	57.05	+0.50	9,022
Apr 98	55.75	55.15	55.75	+0.50	4,672

Est. sales N.A. Tue's sales 36,137
Tue's open int 150,364, off 2,868

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	OpInt
Nov 97	20.05	19.64	19.94	+0.15	101,737
Dec 97	20.15	19.73	20.04	+0.17	62,431
Jan 98	20.15	19.80	20.08	+0.17	37,384
Feb 98	20.08	19.85	20.08	+0.16	18,737
Mar 98	20.08	19.90	20.08	+0.16	10,766
Apr 98	20.07	19.98	20.07	+0.15	9,299

Est. sales N.A. Tue's sales 80,400
Tue's open int 383,873, off 16,281

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	OpInt
Oct 97	3.050	2.965	3.020	-0.028	38,368
Nov 97	3.110	3.020	3.090	-0.009	47,366
Dec 97	3.190	3.120	3.190	+0.001	28,248
Jan 98	3.154	3.090	3.135	-0.019	26,302
Feb 98	2.780	2.735	2.780	-0.009	17,200
Mar 98	2.490	2.420	2.475	-0.005	11,756

Est. sales N.A. Tue's sales 91,700
Tue's open int 247,541, up 248

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Oct 97	58.50	57.20	58.37	+0.01	20,232
Nov 97	57.05	55.90	56.97	+0.19	33,169
Dec 97	56.70	55.60	56.62	+0.22	14,885
Jan 98	56.80	55.90	56.73	+0.28	13,509
Feb 98			57.13	+0.28	4,263
Mar 98	57.88	57.75	57.88	+0.28	5,818
Apr 98			60.73	+0.28	2,958
May 98			60.63	+0.28	2,408

Est. sales N.A. Tue's sales 23,474
Tue's open int 102,862, off 520

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	OpInt
Oct 97	170.75	168.50	170.25	—0.25	23,729
Nov 97	172.00	169.75	171.50	—0.25	16,309
Dec 97	173.25	171.50	173.00	—0.25	17,338
Jan 98	174.50	173.25	174.50	—0.25	12,997
Feb 98	174.50	173.75	174.75	—0.25	7,346
Mar 98	N.T.	N.T.	173.50	—0.25	4,813
Apr98	N.T.	N.T.	172.00	—0.25	2,321

Est. sales: 14,510. Prev. sales: 16,085
Prev. open int.: 93,204 up 1,449

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	OpInt
Nov97	18.84	18.53	18.80	+0.16	68,567
Dec97	18.93	18.65	18.90	+0.15	24,136
Jan98	18.95	18.71	18.92	+0.13	22,865
Feb98	18.95	18.72	18.92	+0.14	9,418
Mar 98	18.87	18.68	18.87	+0.14	4,160
Apr 98	N.T.	N.T.	18.82	+0.14	2,323

Est. sales: 28,120. Prev. sales: 38,984
Prev. open int.: 143,865 off 4,814

Stock Indexes

SP COMP INDEX (CMER) 500 x index

	High	Low	Latest	Chge	OpInt
Dec 97	970.50	951.50	954.25	-7.75	186,739
Mar 98	980.60	965.25	965.25	-7.10	2,968
Jun 98			982.85	unch	710

Est. sales N.A. Tue's sales 45,902
Tue's open int 190,589, off 36,549

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	OpInt
Dec 97	5172.0	5088.0	5169.0	+51.0	63,878
Mar 98	N.T	N.T	5213.0	+51.0	1,805

Est. sales: 7,299. Prev. sales: 7,674
Prev. open int.: 65,683 off 152

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	OpInt
Sep 97	3030.0	2992.0	3024.0	+18.0	38,141
Oct 97	3034.0	2999.0	3030.5	+17.5	12,554
Nov 97	0.00	0.00	3038.5	+18.0	4,986
Dec 97	3051.0	3015.0	3046.5	+18.0	8,488
Mar 98	3055.0	3055.0	3069.5	+18.5	10,800

Est. sales: 27,586.
Open int.: 86,523.

Commodity Indexes

	Close	Previous
Moody's	1,546.40	1,542.30
Reuters	1,899.20	1,931.30
D.J. Futures	146.90	146.60
CRB	241.99	241.45

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

EUROPE

EU Inquiry Is Likely Into WestLB and State Funds

Bloomberg News

BONN — The association that represents German private-sector banks said Wednesday it was "confident" the European Commission would rule in its favor in a dispute over the transfer of state funds to state-owned banks.

Karel Van Miert, the EU competition commissioner, is expected to open an investigation into aid to Westdeutsche Landesbank Girozentrale next Wednesday, Oliver Wolfrum, a spokesman for the Federal Association of German Banks, said.

"Our prospects are good," Mr. Wolfrum said. "We knew this was going to take place in the fall."

The group filed a complaint with the EU in December 1994 after it was rebuffed by the German Finance Ministry and a German banking watchdog.

It argues that 5.9 billion Deutsche marks ($3.28 billion) in housing development funds transferred to WestLB from the state of North Rhine-Westphalia, which owns 43 percent of the bank, constitutes illegal state aid because WestLB did not have to pay market rates on the capital and used it to expand activities such as investment banking.

Willy Helin, a spokesman for the commission, confirmed that the executive agency of the EU was likely to launch a formal investigation next week. He said it would focus on whether some of the 5.9 billion DM could have amounted to an illegal subsidy. Mr. Helin said the inquiry would concern only the WestLB housing fund and not the wider debate about financial guarantees to state-owned bank.

New Drug's Failure Batters Sanofi Stock

Profit Outlook Is in Question After Osteoporosis Product Proves Ineffective

Bloomberg News

PARIS — Sanofi SA's shares plunged 13 percent Wednesday after the French drugmaker said a new product, Skelid, had proved ineffective in U.S. and European trials for treating osteoporosis in post-menopausal women.

Investors had had high hopes for Skelid. HSBC James Capel had forecast that the drug would generate annual sales of 2.5 billion francs ($414.7 million) within five years of its launch.

The market for nonestrogen osteoporosis treatments could reach as much as $5 billion in annual sales by 2005.

"It's a major disappointment," said Vanessa Laurence, an analyst with the brokerage Leven. "Even though Sanofi still has two other promising products, Skelid's failure threatens the company's long-term profit outlook."

Sanofi shares finished 83 francs lower at 552. It was the most active stock on the Bourse. The oil company Elf Aquitaine SA, which owns 53 percent of Sanofi, rose 6 francs to 811 after an early tumble to 788.

"It's a megadisaster for Sanofi," said John Fordyce, an equity trader with the Oddo brokerage in Paris, which cut its recommendation on the stock.

Nonestrogen treatments such as Skelid for women with the bone-thinning disease are expected to become popular as some studies link estrogen-replacement therapies to breast cancer and cancer of the uterus lining. Merck & Co., Eli Lilly & Co. and other drugmakers are working on similar products.

Sanofi said that even without Skelid, it was not going to reduce its earnings forecasts for the next four to five years. It said profit would grow 10 percent this year.

Sanofi will be increasingly dependent on revenue from drugs it has under development to drive growth as patents on some of its big earners, including the blood-clot treatment Ticlid, expire. It is waiting for U.S. Food and Drug Administration approval of the blood-pressure drug Irbesartan and the blood-clot preventative clopidogrel.

The company said strong sales of Irbesartan might make up for the revenue Skelid was to bring in.

But analysts said Skelid was especially important to Sanofi because it was the only one of the three new drugs it had developed alone. Irbesartan and clopidogrel, to be marketed as Plavix, were developed with Bristol-Myers Squibb Co. of the United States, with which Sanofi will split sales.

Northwest Expands Huge Jet Deal With Airbus

Bloomberg News

MINNEAPOLIS — Northwest Airlines Corp. signed a firm order Wednesday for 50 Airbus Industrie jets and took options for another 100, as the American carrier simplifies its fleet to keep maintenance and training costs low.

The Minneapolis-based airline, Airbus's largest customer, had signed a preliminary agreement to buy the 50 A-319 jets, valued at $2 billion, in June. The planes will be delivered between 1999 and 2003. The options for the 100 additional narrow-body planes would be valued at $4 billion if they become firm orders.

The options are for both A-320s, which seat 150 passengers, and A-319s, which seat 124 passengers.

The order was crucial for Airbus, because the European planemaker has lost some of the biggest U.S. airlines as potential customers in the past year. Since November 1996, AMR Corp.'s American Airlines, Delta Air Lines Inc. and Continental Airlines Inc. have all signed agreements making Boeing Co. their sole supplier of aircraft for 20 years.

Boeing agreed to drop the exclusive nature of those contracts in June as a condition to win European Union approval for its acquisition of McDonnell Douglas Corp. But the large commitments by the three airlines make it unlikely they will turn to Airbus anytime soon.

Because Northwest already operates a fleet of 50 A-320s, which have the same cockpit and systems and use the same engines as the A-319, Northwest said it would not have to retrain its pilots to fly the planes. It has no Boeing 737s, which compete with the A-320 family.

"The A-319 has commonality with our expanding A-320 fleet," said the chief executive, John Dasburg, "and both aircraft have received strong customer and employee approval."

The aircraft will be powered by CFM56-5A engines built by CFM International, a joint venture of General Electric Co. of the United States and Snecma of Paris. The Ohio-based CFM said the engine order was worth $500 million.

Airbus will begin delivering the first of an additional 20 A-320s to Northwest next year, under an earlier order. Northwest also has the right to acquire 16 A-330 planes starting in 2004.

Airbus is a consortium of British Aerospace PLC, Daimler-Benz Aerospace AG of Germany, Aerospatiale of France and Construcciones Aeronauticas of Spain.

G-7 Must Become G-8, Russia Insists

Agence France-Presse

HONG KONG — Russia will insist on formal admission to the Group of Seven major economic powers when its finance ministers meet in April, Finance Minister Anatoli Chubais said here Wednesday.

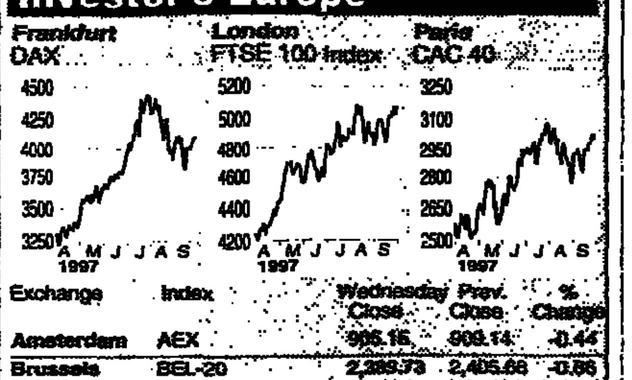
"We will insist that the formula G-7-plus-one be done away with and replaced by the G-8 formula," Mr. Chubais said at a news conference.

The declaration won immediate endorsement from Germany, which has long favored such a move.

Helmut Schasser, a senior German representative at the World Bank, said, "We will support it."

The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	905.16	909.14	-0.44
Brussels	BEL-20	2,389.73	2,405.66	-0.66
Frankfurt	DAX	4,102.39	4,098.20	+0.10
Copenhagen	Stock Market	622.34	618.80	+0.73
Helsinki	HEX General	3,582.57	3,566.16	+0.46
Oslo	OBX	699.57	698.27	+0.19
London	FTSE 100	5,077.20	5,027.50	+0.99
Madrid	Stock Exchange	629.39	621.48	+1.27
Milan	MIBTEL	15919	15788	+0.96
Paris	CAC 40	3,023.77	2,997.23	+0.89
Stockholm	SX 16	3,525.13	3,493.47	+0.91
Vienna	ATX	1,428.21	1,416.24	+0.28
Zurich	SPI	3,661.72	3,655.24	+0.18

Source: Telekurs — International Herald Tribune

Very briefly:

- **National Grid Group PLC** will sell at least 25 percent of **Energis Communications Ltd.**, its telecommunications division, in a share offering in December after failing to find a partner for the unit.
- **Spain** began its largest public share offering with the publication of the privatization prospectus for up to 35 percent of the country's largest electricity utility, **Empresa Nacional de Electricidad SA**. Sepi, a state holding company that owns 66.9 percent of the utility, will offer initially a 25 percent stake of Endesa, which would be expanded if demand warranted.
- **Volvo Truck Corp.** said it was about to start commercial tests of a newly developed hybrid truck, the FL6 Hybrid, that combines conventional diesel fuel and advanced electric-power and could operate for 30 kilometers (19 miles) without exhaust or noise emission.
- **Austria** tightened its grip on suspected money-laundering with a law that orders holders of anonymous trust accounts to be identified if the accounts exceed 200,000 schillings ($15,800).
- **Schneider SA**'s first-half profit doubled, to 1 billion French francs ($165.8 million), on stronger sales, cost-cutting and lower interest charges.

Bloomberg, Reuters

WORLD STOCK MARKETS

Wednesday, Sept. 24

Prices in local currencies. *Telekurs*

Amsterdam
AEX index: 905.16 Previous: 909.14

	High	Low	Close	Prev.
ABN-AMRO	41.20	40.10	40.40	40.80
Aegon	156.80	155.10	156.20	156.70
Ahold	54.80	53.80	54.40	55
Akzo Nobel	332.50	330.70	330.70	332.40
Baan Co.	141	136.20	136.90	138
Bols Wess cva	36.40	35.30	35.60	35.80
CSM cva	94.30	92.30	93.80	93.50
Dordtsche Pet	110.40	108.70	109.10	109.70
DSM	193.70	188.50	192	189.50
Elsevier	32.60	32	32.10	32.40
Fortis Amev	83.20	81.60	82.10	82.80
Getronics	62	60.30	61.40	62.20
G-Broc cva	56.80	55.90	56	56.10
Hagemeyer	102.70	101.10	101.30	102.70
Heineken	350	346.80	348.50	347.60
Hoogovens cva	127.70	125.40	125.40	127.70
Hunt Douglas	87.50	86.10	86.90	87.50
ING Group	91.90	90.50	91.10	91.60
KLM	70.90	69.20	69.80	69.70
KNP BT	50.30	49.50	49.90	50.40
KPN	76.30	75.80	76	76
Nedlloyd Gp	66.20	65.40	66	65.70
Nutricia	60.10	59.10	59.30	60.20
Oce Grinten	252.40	249.70	249.80	251
Philips Elec	158.20	155.10	156.40	157.50
Polygram	114.40	112.70	113.90	113.90
Randstad Hdg	83	80	80	82.50
Robeco	195.30	194.30	194.30	195.60
Rodamco	61.20	60.70	60.80	61.50
Rolinco	195.70	195	195	194.60
Rorento	118.60	118.20	118.20	117.70
Royal Dutch	109.30	107.60	108	108.50
Unilever cva	430.50	425	426.50	427
Vendex Intl	119.40	116.20	118.50	117.90
VNU	44.80	43.20	43.60	43.80
Wolters Kl cva	249.90	243.50	248.50	244.10

Bangkok
SET index: 547.82 Previous: 536.83

	High	Low	Close	Prev.
Adv Info Svc	238	222	238	228
Bangkok Bk F	170	165	169	160
Krung Thai Bk	26.25	25.25	26	25.50
PTT Explor	398	372	398	394
Siam Cement F	600	596	600	598
Siam Com Bk F	119	114	119	109
Telecomasia	30.50	29.50	30.25	29.75
Thai Airways	53	50	51.50	50
Thai Farm Bk F	107	104	107	99.50
Utd Comm	106	100	106	102

Bombay
Sensex 30 index: 3925.91 Previous: 3822.42

	High	Low	Close	Prev.
Bajaj Auto	528.75	520.50	526	524.75
Hindust Lever	1335	1306.25	1318.25	1317.75
Hindust Petm	474.25	466	472.75	465.50
Ind Dev Bk	106	103	105	103.75
ITC	559.50	547.50	548.25	555
Mahanagar Tel	264.50	257.50	258.75	257.25
Reliance Ind	343.50	338.50	339.50	341.50
State Bk India	277.25	271	271.75	277
Steel Authority	15.75	14.25	14.50	14.50
Tata Eng Loco	328.75	318	324.50	320.75

Brussels
BEL-20 index: 2389.73 Previous: 2405.66

	High	Low	Close	Prev.
Almanij	1570	1492	1508	1565
Barco Ind	7320	7230	7280	7290
BBL	9430	9320	9350	9500
CBR	3145	3040	3135	3080
Colruyt	18325	18150	18275	18350
Delhaize Lion	1825	1780	1785	1820
Electrabel	7670	7540	7620	7660
Electrafina	3435	3410	3410	3430
Fortis AG	7320	7210	7230	7300
Gevaert	3090	2925	2950	3080
GBL	5680	5620	5660	5670
Gen Banque	14700	14500	14550	14725
Kredietbank	14625	14500	14500	14600
Petrofina	14200	14025	14100	14175
Powerfin	4935	4920	4930	4930
Royale Belge	9200	9110	9110	9190
Soc Gen Belg	3400	3310	3370	3395
Solvay	2175	2145	2155	2170
Tractebel	14875	14850	14875	14850
UCB	124350	122400	123400	124100

Copenhagen
Stock Index: 622.34 Previous: 618.80

	High	Low	Close	Prev.
BG Bank	379	370	374	374.27
Carlsberg B	379	370	375	372
Codan Fors	915	909	915	915
Danisco	378	360	361	363
Den Danske Bk	745	679	689.69	678
D/S Svenborg B	430430	420000	427000	420000
D/S 1912 B	302000	292000	300000	293000
FLS Ind B	201	196	200	199
Kob Lufthavne	790	784	790	785
Novo Nordisk B	705	691.50	705	685
Sophus Ber B	1085	1060	1070	1070
Tele Danmk B	355.06	347	354	349
Tryg Baltica	391	387	391	390
Unidanmark A	420	415	420	415

Frankfurt
DAX: 4102.39 Previous: 4098.20

	High	Low	Close	Prev.
AMB B	1585	1585	1580	1580
Adidas	232.50	229.70	230.20	232.50
Allianz Hdg	423	416.50	421.50	421
Altana	136.60	133.20	134.20	136.40
Bk Berlin	45.30	44.85	45.30	44.85
BASF	62.98	62.40	62.70	63.20
Bayer Hypo Bk	73.90	72.95	73.18	73.20
Bay.Vereinsbank	96.65	96	96.10	96.20
Bayer	71.20	70.05	70.75	71
Beiersdorf	80.50	80	80.25	78.50
Bewag	39.80	39	39.60	39.10
BMW	1408	1358	1392	1390
CKAG Colonia	162.50	160.50	161	161.50
Commerzbank	64.70	63.70	63.80	63.30
Daimler Benz	144.50	138.30	144.50	139.70
Degussa	96	95.20	95.50	97.30
Deutsche Bank	115.65	114.80	115.15	116.15
Deut Telekom	33.69	33.25	33.48	33.35
Dresdner Bank	81	80.70	81	81.50
Fresenius	316	314	314	314.50
Fresenius Med	129	126.50	126.50	129.20
Fried. Krupp	377	374	375.20	375
Gehe	101.60	100	100	102
Heidelbg Zmt	143	140	143	141
Henkel pfd	104	101.70	102.50	105.20
HEW	482	482	482	485
Hochtief	82	81.20	81.20	83.60
Hoechst	77.50	76.20	76.40	76.60
Karstadt	649	643	644.50	641
Lahmeyer	99.50	99	99.50	99
Linde	1250	1230	1230	1236
Lufthansa R	35.05	34.85	34.85	34.80
MAN	566	551	557	557
Mannesmann	871	855	856	872
Metallgesellschaft	39.10	39	39	38.85
Metro	80.15	79.50	80	80.50
Munch Rueck R	584	572	579	580
Preussag	505	497	500.50	508
RWE	85.70	84.70	84.80	84.95
SAP pfd	443.80	441.70	443.80	442
Schering	183	180.50	181.20	183
SGL Carbon	247	243	247	247.50
Siemens	121.90	119.90	121.15	121.40
Springer (Axel)	1550	1550	1550	1535
Suedzucker	883	881	882	883
Thyssen	407.50	406	406	409.50
Veba	102.40	100.20	102.20	100.70
VEW	575	575	575	572
Viag	763.50	760	760	761.50
Volkswagen	1221	1210	1216	1211

Helsinki
HEX General index: 3582.57 Previous: 3566.16

	High	Low	Close	Prev.
Enso A	51	50.90	50.90	51
Huhtamaki I	214.50	210	210	214
Kemira	50	48.50	49.50	49.80
Kesko	73.50	71	73	72.50
Merita A	22.40	22.50	22.50	22.70
Metra B	154	152	154	152
Metsa-Serla B	49	48.30	48.50	48.70
Neste	137.50	134	137.10	139
Nokia A	479.50	473	473.50	467.10
Orion-Yhtymae	185	182	183.50	183
Outokumpu A	97.50	95	97	95
UPM-Kymmene	143.50	140.50	143	140.60
Valmet	88	87	87.70	87.50

Hong Kong
Hang Seng: 14285.38 Previous: 14894.44

	High	Low	Close	Prev.
Amoy Props	8.25	8.05	8.20	8.10
Bk East Asia	27.90	27.25	27.60	27.25
Cathay Pacific	11.95	11.10	11.40	11.85
Cheung Kong	84.25	82.75	84.25	83
CK Infrastruct	22.30	21.95	21.95	22.35
China Light	42	40.60	42	40.70
Citic Pacific	42.70	41.80	42.20	42.30
Dao Heng Bk	35.10	34.60	34.80	34.90
First Pacific	7.85	7.60	7.65	7.80
Hang Lung Dev	14.65	14.40	14.55	14.50
Hang Seng Bk	89	87.75	88.25	88
Henderson Inv	8.50	8.30	8.40	8.45
Henderson Ld	65.50	64.25	64.50	64.25
HK China Gas	15.60	15.05	15.55	15.05
HK Electric	28.20	27.80	28.15	27.85
HK Telecomm	16.80	16.45	16.75	16.50
Hopewell Hdgs	4.45	4.33	4.35	4.38
HSBC Hdgs	234	230	232	231
Hutchison Wh	71	68.75	69.50	68.75
Hysan Dev	23.15	22.90	23.05	23.20
Johnson El Hdg	20.70	20.60	20.60	20.45
Kerry Props	18.15	18.15	18.15	18.15
New World Dev	44.90	43.60	44.40	43.60
Oriental Press	2.55	2.50	2.50	2.53
Pearl Oriental	1.13	1.05	1.07	1.11
SHK Props	90	88.25	88.75	88.25
Shun Tak Hdgs	4.88	4.70	4.75	4.83
Sino Land Co.	7.20	7	7	7
Sth China Post	7.05	6.80	6.85	7
Swire Pac A	59.75	58.50	59	59
Wharf Hdgs	27.90	27.40	27.80	27.35
Wheelock	15.75	15.55	15.60	15.60

Jakarta
Composite index: 552.65 Previous: 539.48

	High	Low	Close	Prev.
Astra Intl	3275	3125	3250	3125
Bk Intl Indon	1000	950	975	925
Bk Negara	975	925	950	950
Gudang Garm	9600	9000	9500	8900
Indocement	2425	2375	2400	2400
Indofood	4200	3875	4125	3850
Indosat	8150	8025	8075	8050
Sampoerna HM	7025	6625	6875	6625
Semen Gresik	3175	3075	3075	3050
Telekomunikasi	3625	3550	3575	3500

Markets Closed

The stock market in Johannesburg was closed Wednesday for a holiday.

Kuala Lumpur
Composite: 779.41 Previous: 781.26

	High	Low	Close	Prev.
AMMB Hdgs	8.85	8.15	8.40	8.65
Genting	10.40	10	10.20	10.20
Mal Banking	16	15.50	15.60	15.90
Mal Intl Ship F	5.75	5.60	5.75	5.60
Petronas Gas	9.45	9.15	9.35	9.25
Proton	8.55	8.25	8.50	8.25
Public Bk	2.83	2.68	2.70	2.78
Renong	3.22	3.16	3.22	3.22
Resorts World	7.20	7	7.10	7.15
Rothmans PM	28	27.25	27.75	27
Sime Darby	6.25	5.95	6.05	6.10
Telekom Mal	9.40	8.95	9.20	9.05
Tenaga	7.90	7.60	7.80	7.60
Utd Engineers	11.10	10.50	10.50	10.80
YTL	4.14	3.90	4.10	3.88

London
FT-SE 100: 5077.20 Previous: 5027.50

	High	Low	Close	Prev.
Abbey Natl	9.02	8.79	8.99	8.82
Allied Domecq	4.80	4.68	4.78	4.76
Anglian Water	8.66	8	8.05	8.04
Argos	7	6.87	6.93	6.97
Asda Group	1.67	1.61	1.66	1.63
Assoc Br Foods	5.54	5.46	5.47	5.52
BAA	5.73	5.53	5.70	5.58
Barclays	15.28	15.08	15.19	15.24
Bass	8.57	7.44	8.48	8.54
BAT Ind	5.37	5.17	5.35	5.25
Bank Scotland	4.74	4.60	4.72	4.61
Blue Circle	3.97	3.80	3.95	3.83
BOC Group	11.29	11.18	11.26	11.20
Boots	8.65	8.39	8.64	8.40
BPB Ind	3.50	3.45	3.48	3.47
Brit Aerosp	16.57	16.20	16.25	16.51
Brit Airways	6.67	6.46	6.63	6.49
BG	2.62	2.58	2.59	2.61
Brit Land	6.37	6.12	6.26	6.15
Brit Petm	9.12	8.94	9.12	8.96
BSkyB	4.83	4.68	4.73	4.82
Brit Steel	1.89	1.86	1.86	1.87
Brit Telecom	4.16	4.10	4.16	4.13
BTR	2.40	2.36	2.37	2.38
Burmah Castrol	10.72	10.48	10.67	10.54
Burton Gp	1.35	1.30	1.34	1.29
Cable Wireless	5.35	5.20	5.34	5.23
Cadbury Schw	5.66	5.65	5.65	5.64
Carlton Comm	5.02	4.94	5	4.97
Comml Union	7.67	7.53	7.58	7.65
Compass Gp	6.50	6.45	6.48	6.47
Courtaulds	3.40	3.35	3.38	3.36
Dixons	6.32	6.15	6.26	6.17
Electrocomponents	4.59	4.53	4.57	4.58
EMI Group	5.85	5.73	5.83	5.79
Energy Group	6.46	6.40	6.44	6.44
Enterprise Oil	6.60	6.55	6.56	6.55
Fam Colonial	1.77	1.75	1.75	1.76
Genl Accident	9.96	9.72	9.95	9.82
GEC	3.92	3.85	3.87	3.91
GKN	13.25	13.15	13.25	13.21
Glaxo Wellcome	13.75	13.48	13.74	13.56
Granada Gp	8.66	8.48	8.66	8.47
Grand Met	5.92	5.78	5.82	5.90
GRE	2.94	2.89	2.92	2.90
Greenalls Gp	4.33	4.13	4.14	4.50
Guinness	5.80	5.68	5.71	5.75
GUS	6.77	6.64	6.73	6.71
Hays	6.75	6.62	6.70	6.63
HSBC Hldgs	19.12	18.57	19.10	18.49
ICI	9.89	9.80	9.89	9.84
Impl Tobacco	3.67	3.60	3.64	3.66
Kingfisher	7.99	7.87	7.97	7.94
Ladbroke	2.69	2.63	2.69	2.64
Land Sec	9.54	9.48	9.54	9.51
Lasmo	2.69	2.65	2.68	2.67
Legal Genl Grp	4.61	4.48	4.60	4.56
Lloyds TSB Gp	7.75	7.45	7.73	7.64
LucasVarity	2.26	2.22	2.26	2.24
Marks Spencer	6.12	6	6.11	6.01
MEPC	5	4.95	4.98	4.99
Mercury Asset	12.80	12.60	12.74	12.59
National Grid	2.95	2.81	2.83	2.87
Natl Power	5.55	5.43	5.52	5.44
NatWest	8.71	8.53	8.56	8.60
Next	7.73	7.50	7.68	7.50
Norwich Union	3.35	3.28	3.30	3.38
Orange	2.22	2.18	2.22	2.21
P&O	6.87	6.66	6.86	6.79
Pearson	7.77	7.65	7.75	7.70
Pilkington	1.58	1.52	1.54	1.56
PowerGen	7.74	7.67	7.67	7.69
Premier Farnell	5.27	5.23	5.24	5.27
Prudential	6.35	6.26	6.32	6.28
Railtrack Gp	8.92	8.69	8.90	8.67
Rank Group	3.55	3.43	3.54	3.45
Reckitt Colm	9.70	9.63	9.65	9.68
Redland	2.83	2.78	2.83	2.81
Reed Intl	5.87	5.78	5.84	5.81
Rentokil Initial	2.57	2.55	2.56	2.55
Reuters Hldgs	6.95	6.82	6.95	6.85
Rexam	3.47	3.33	3.40	3.33
RTZ reg	9.90	9.77	9.82	9.82
RMC Group	10.10	9.97	10.07	10.03
Rolls Royce	2.38	2.34	2.36	2.36
Royal Bk Scot	6.53	6.36	6.52	6.39
Royal & Sun All	5.38	5.29	5.31	5.37
Safeway	3.94	3.83	3.88	3.85
Sainsbury	4.64	4.54	4.62	4.58
Schroders	18.35	18	18.35	18.08
Scot Newcastle	7.39	7.25	7.38	7.28
Scot Power	4.53	4.45	4.49	4.50
Securicor	2.66	2.62	2.63	2.65
Severn Trent	8.67	8.55	8.65	8.57
Shell Transp R	4.51	4.43	4.50	4.45
Siebe	11.65	11.50	11.54	11.59
Smith Nephew	1.86	1.85	1.85	1.86
SmithKline	5.82	5.60	5.74	5.59
Smiths Ind	8.87	8.77	8.82	8.85
Sthern Elec	4.60	4.51	4.56	4.53
Stagecoach	6.70	6.60	6.70	6.67
Stand Charter	8.65	8.43	8.63	8.48
Tate & Lyle	4.30	4.25	4.28	4.28
Tesco	4.79	4.70	4.78	4.71
Thames Water	8.26	8.15	8.19	8.22
3i Group	5.18	5.14	5.17	5.14
TI Group	6.10	5.98	6.03	6.08
Tomkins	3.30	3.28	3.30	3.29
Unilever	17.95	17.70	17.93	17.72
Utd Assurance	4.89	4.85	4.85	4.84
Utd News	7.62	7.55	7.59	7.60
Utd Utilities	7.20	7.12	7.12	7.15
Vendome Lx uts	4.72	4.63	4.66	4.71
Vodafone	3.37	3.31	3.32	3.35
Whitbread	8	7.87	7.99	7.85
Williams Hdgs	3.68	3.62	3.66	3.63
Wolseley	5.04	4.94	5.02	4.96
WPP Group	2.87	2.83	2.84	2.85
Zeneca	20	19.62	19.89	19.65

Madrid
Bolsa index: 629.39 Previous: 621.48

	High	Low	Close	Prev.
Acerinox	27850	27510	27530	27500
ACESA	2000	1980	2000	1975
Aguas Barcelon	5950	5890	5950	5920
Argentaria	8600	8420	8580	8440
BBV	4445	4370	4445	4400
Banesto	1565	1520	1525	1555
Bankinter	8480	8250	8450	8250
Bco Centro Hisp	6200	6130	6200	6150
Bco Popular	9710	9570	9710	9600
Bco Santander	4735	4640	4735	4675
CEPSA	4890	4700	4890	4760
Continente	3020	2980	2985	2980
Corp Mapfre	8570	8510	8540	8540
Endesa	3125	3070	3125	3090
FECSA	1300	1270	1275	1285
Gas Natural	7860	7650	7750	7800
Iberdrola	1805	1780	1805	1780
Pryca	2790	2735	2740	2750
Repsol	6520	6360	6490	6390
Sevillana Elec	1420	1390	1410	1400
Tabacalera	10490	10100	10410	10200
Telefonica	4775	4610	4760	4590
Union Fenosa	1285	1270	1285	1280
Valenc Cement	2970	2925	2955	2920

Manila
PSE index: 2077.84 Previous: 2049.67

	High	Low	Close	Prev.
Ayala B	13.50	13	13.25	13
Ayala Land	17	16.50	16.75	16.50
Bk Philip Isl	110	100	109	102
C&P Homes	3.75	3.65	3.70	3.70
Manila Elec A	75	74	75	74
Metro Bank	342.50	332.50	335	335
Petron	4.50	4.35	4.50	4.50
PCIBank	144	143	144	144
Phil Long Dist	935	925	935	935
San Miguel B	56	54	56	54.50
SM Prime Hdg	6.40	6.20	6.40	6.10

Mexico
Bolsa index: 5249.96 Previous: 5258.52

	High	Low	Close	Prev.
Alfa A	72.00	71.20	71.60	71.30
Banacci B	24.60	23.70	23.70	23.80
Cemex CPO	41.30	40.60	40.65	40.80
Cifra C	16.20	16.06	16.10	16.20
Emp Modema	42.80	42.00	42.00	42.60
Gpo Carso A1	65.10	64.30	64.20	65.00
Gpo F Bcomer	3.65	3.58	3.59	3.65
Gpo Fin Inbursa	35.00	34.10	34.10	35.10
Kimb Clark Mex	37.00	36.90	37.00	37.00
Televisa CPO	148.80	147.50	147.50	148.00
TelMex L	20.20	19.86	20.00	19.78

Milan
MIB Telematico: 15919.00 Previous: 15788.00

	High	Low	Close	Prev.
Alleanza Assic	16990	16630	16990	16940
Bca Comm Ital	5035	4900	5035	4980
Bca Fideuram	7990	7250	7680	7530
Bca di Roma	1700	1670	1700	1675
Benetton	29150	28300	28650	29250
Credito Italiano	4280	4180	4235	4230
Edison	9490	9330	9450	9435
ENI	11000	10750	11000	10850
Fiat	6250	6120	6245	6160
Generali Assic	40000	39550	39900	39950
IMI	19800	18990	19550	19190
INA	2770	2735	2770	2760
Italgas	5930	5860	5930	5885
Mediaset	9070	8875	9070	9020
Mediobanca	14050	13800	14050	13990
Montedison	1312	1296	1308	1309
Olivetti	930	906	927	921
Parmalat	2950	2850	2950	2870
Pirelli	5130	5000	5100	5070
RAS	15650	15325	15635	15325
Rolo Banca	24900	24400	24700	24600
S Paolo Torino	13440	12850	12850	13100
Telecom Italia	11830	11675	11780	11750
TIM	7065	6970	7040	6925

Montreal
Industrials index: 3675.46 Previous: 3674.24

	High	Low	Close	Prev.
Bce Mob Com	50	50	50	49.90
Cdn Tire A	29.70	29¼	29.70	29.35
Cdn Util A	38¼	38.15	38¼	38.15
CT Finl Svc	44.55	44.10	44.55	44½
Gaz Metro	18.35	18.05	18.30	18
Gt-West Lifeco	32.95	32.60	32.70	32½
Imasco	41.60	41.20	41.45	40.95
Investors Grp	42.80	42	42.30	42.60
Loblaw Cos	22	21.70	21.70	21.30
Natl Bk Canada	19.20	19.05	19.15	19.20
Power Corp	39.45	39.10	39.15	39.30
Power Finl	39.90	39½	39.90	39½
Quebecor B	25.90	25.65	25¼	25¼
Rogers Comm B	8¼	8¼	8¼	8.40
Royal Bk Cda	68¾	68.15	68.60	68.10

Oslo
OBX index: 699.57 Previous: 698.27

	High	Low	Close	Prev.
Aker A	133	131.50	131.50	133
Bergesen Dy A	215	210	215	211
Christiania Bk	25.10	24.80	24.80	25.10
Den norske Bk	29.90	29.50	29.50	29.70
Elkem	123.50	120.50	123	121.50
Hafslund A	44	44	44	44
Kvaerner Asa	414	411	413	411
Norsk Hydro	420	416.50	419.50	416.50
Norske Skog A	259	257	257	259
Nycomed A	168	166	166	167
Orkla Asa A	592	585	592	587
Petm GeoSvc	468	452.50	455	460
Saga Petm A	150	133.50	147	146
Schibsted	124	122.50	123	122.50
Transocean Off	353	353	353	690
Storebrand Asa	52.50	52	52	51.50

Paris
CAC-40: 3023.77 Previous: 2997.23

	High	Low	Close	Prev.
Accor	1042	1006	1036	1010
AGF	248	245.10	247.40	245
Air Liquide	976	931	976	935
Alcatel Alsth	788	777	783	782
Axa-UAP	401	395.50	399.40	399
Bancaire	779	751	775	752
BIC	490	475.10	479	474.50
BNP	299.50	292.10	298.60	294
Canal Plus	1080	1041	1063	1060
Carrefour	3694	3630	3685	3615
Casino	susp.	susp.	susp.	332.10
CCF	339	326	336	326.30
Cetelem	658	641	649	631
Christian Dior	846	820	826	825
CLF-Dexia Fran	564	545	544	540
Credit Agricole	1301	1301	1301	1305
Danone	913	899	902	895
Elf-Aquitaine	813	778	811	805
Eridania BS	905	880	891	902
Eurodisney	8.10	8	8.10	8
Eurotunnel	6.70	6.50	6.65	6.45
Gen. Eaux	705	690	702	700
Havas	413.90	402.50	413.10	406.50
Imetal	788	760	787	757
Lafarge	453.50	446	449.60	446.10
Legrand	1243	1215	1243	1230
L'Oreal	2400	2360	2396	2362
LVMH	1315	1253	1283	1294
Michelin B	336	326.60	336	326.50
Paribas A	448	434	442.10	432.10
Pernod Ricard	295	292	293.10	292
Peugeot Cit	809	792	809	797
Pinault-Print	2779	2683	2700	2714
Promodes	2310	2262	2288	2262
Renault	180	175	177.20	175.50
Rexel	1648	1590	1610	1618
Rh-Poulenc A	239.90	236.10	239.70	236.10
Sanofi	560	533	552	635
Schneider	375	357.50	363.50	351
SEB	870	855	860	855
SGS Thomson	593	575	582	582
Ste Generale	863	841	853	848
Sodexho	2850	2806	2806	2801
St Gobain	929	918	927	914
Suez Lyon Eaux	678	651	678	657
Synthelabo	741	708	732	715
Thomson CSF	182	175.80	181.50	174.30
Total B	702	684	700	699
Usinor	119.50	114.70	119	113.90
Valeo	400	367.30	389.60	367.50

São Paulo
Bovespa index: 11592.28 Previous: 11516.18

	High	Low	Close	Prev.
Bradesco Pfd	10.90	10.50	10.90	10.60
Brahma Pfd	823.00	815.00	823.00	815.01
Cemig Pfd	59.50	58.30	58.49	58.00
CESP Pfd	87.50	86.50	86.51	87.00
Copel	17.50	17.00	17.00	16.50
Eletrobras	582.00	575.00	579.00	571.00
Itaubanco Pfd	630.00	609.00	630.00	606.00
Light Servicos	471.01	470.00	471.00	474.00
Lightpar	385.00	379.99	384.00	383.00
Petrobras Pfd	306.99	300.00	304.99	300.99
Paulista Luz	192.00	190.00	192.00	189.00
Sid Nacional	43.00	41.990	43.00	42.00
Souza Cruz	10.30	10.30	10.30	10.30
Telebras Pfd	140.30	138.00	139.30	138.50
Telemig	165.00	161.70	163.70	164.00
Telerj	144.99	143.00	144.50	144.50
Telesp Pfd	333.01	329.00	332.00	326.05
Unibanco	39.00	38.50	39.00	38.790
Usiminas Pfd	11.90	11.75	11.81	11.65
CVRD Pfd	28.00	26.800	26.80	27.20

Seoul
Composite index: 655.75 Previous: 654.37

	High	Low	Close	Prev.
Dacom	85900	80000	82900	83500
Daewoo Heavy	7250	6900	7050	6970
Hyundai Eng.	18600	17900	18300	18300
Kia Motors	7570	7570	7570	8930
Korea El Pwr	19800	18400	19200	19500
Korea Exch Bk	5000	4750	4750	4900
LG Semicon	36600	34500	36400	35600
Pohang Iron St	55500	53900	54600	54600
Samsung Display	45000	43800	44500	44500
Samsung Elec	67900	65200	66800	66700
Shinhan Bank	8250	7850	7930	8210
SK Telecom	410000	390000	397000	398000

Singapore
Straits Times: 1980.51 Previous: 1916.18

	High	Low	Close	Prev.
Asia Pac Brew	5.30	5.30	5.30	5.30
Cerebos Pac	5.25	5.15	5.15	5.30
City Devtls	9.25	9.10	9.10	9.05
Cycle Carriage	9.95	9.90	9.95	9.90
Dairy Farm Int *	0.94	0.91	0.91	0.92
DBS foreign	15.40	14.70	15.40	15
DBS Land	3.74	3.62	3.64	3.66
Fraser & Neave	8.95	8.70	8.70	8.80
HK Land *	3.22	3.14	3.22	3.18
Jard Matheson *	7.55	7.45	7.55	7.45
Jard Strategic *	3.82	3.78	3.80	3.80
Keppel A	5.85	5.60	5.65	5.85
Keppel Bank	3.14	3.10	3.10	3.14
Keppel Fels	4.14	4.10	4.14	4.16
Keppel Land	3.88	3.80	3.84	3.82
OCBC foreign	10.30	9.90	10.10	10.30
OS Union Bk F	6.60	6.35	6.60	6.55
Parkway Hdgs	6.05	5.70	6	5.70
Sembawang	6.95	6.80	6.90	7
Sing Air foreign	12	11.40	11.70	12
Sing Land	7	6.80	6.80	7
Sing Press F	21.60	20.40	21.10	21.60
Sing Tech Ind	2.54	2.48	2.49	2.50
Sing Telecomm	2.42	2.35	2.41	2.35
Tat Lee Bank	2.83	2.80	2.81	2.82
Utd Industrial	1.06	1.04	1.05	1.06
Utd O'Sea Bk F	11	10.10	10.40	11.10
Wing Tai Hdgs	3.10	3	3	3.02

*: In U.S. dollars.

Stockholm
SX 16 index: 3525.13 Previous: 3493.47

	High	Low	Close	Prev.
AGA B	120	117	120	118.50
ABB A	110	107.50	108.50	111
AssiDoman	255	249	253	249.50
Astra A	143	138	140.50	138
Atlas Copco A	249	246	247	248
Autoliv	337	335	337	338
Electrolux B	573	565	570	567
Ericsson B	368.50	362	367.50	362.50
Hennes B	326	317	326	320
Incentive A	728	720	728	725
Investor B	408.50	403	408	404
MoDo B	284	275	284	278
Nordbanken	261	256	261	256.50
Pharm/Upjohn	277.50	273	274.50	275.50
Sandvik B	256	249	256	250
Scania B	232	230	230.50	229
SCA B	198	191	198	194.50
S-E Banken A	92	90.50	91	90
Skandia Fors	331	293	327	332
Skanska B	328	321	324.50	319.50
SKF B	226	222	222.50	225
Sparbanken A	185	180.50	184.50	185
Stora A	131.50	127	131.50	128.50
Sv Handels A	258	253	256.50	255
Volvo B	210.50	207.50	209	210

Sydney
All Ordinaries: 2748.90 Previous: 2776.90

	High	Low	Close	Prev.
Amcor	8.95	8.82	8.91	8.89
ANZ Bking	11.49	11.25	11.40	11.43
BHP	15.95	15.73	15.73	15.89
Boral	4.11	4.08	4.09	4.12
Brambles Ind.	29.70	29.40	29.46	29.74
CBA	17.28	17.05	17.20	17.28
CC Amatil	15.14	14.65	15.14	14.86
Coles Myer	7.14	6.96	7.10	7.12
Comalco	6.78	6.65	6.78	6.71
CSR	5.75	5.65	5.70	5.77
Fosters Brew	2.99	2.95	2.99	2.97
Goodman Fld	2.29	2.25	2.25	2.28
ICI Australia	13.18	12.85	13.16	12.96
Lend Lease	33.87	33.50	33.76	34
MIM Hdgs	1.64	1.60	1.62	1.64
Nat Aust Bank	22.15	21.86	21.98	22.25
Nat Mutual Hdg	2.43	2.38	2.38	2.43
News Corp	6.89	6.80	6.85	6.80
Pacific Dunlop	3.80	3.76	3.80	3.82
Pioneer Intl	4.74	4.71	4.73	4.74
Pub Broadcast	9.03	8.85	9.01	8.90
Rio Tinto	20.98	20.71	20.77	20.98
St George Bank	9.02	8.90	9	9
WMC	6.15	5.98	6.10	6.14
Westpac Bking	8.96	8.82	8.85	9.04
Woodside Pet	12.58	12.39	12.44	12.45
Woolworths	4.53	4.35	4.50	4.41

Taipei
Stock Market index: 8994.02 Previous: 9073.77

	High	Low	Close	Prev.
Cathay Life Ins	137	134.50	134.50	135
Chang Hwa Bk	111.50	107	109	109.50
Chiao Tung Bk	80.50	78.50	78.50	79.50
China Devlpmt	121	118	118	120
China Steel	28.20	27.80	27.90	28.10
First Bank	110	106	107	108
Formosa Plastic	59.50	59	59.50	59
Hua Nan Bk	122.50	116	116	120
Intl Comm Bk	57.50	56	56.50	56.50
Nan Ya Plastics	70.50	69	69	70.50
Shin Kong Life	90	87	87	88.50
Taiwan Semi	141	138	141	141
Tatung	38.30	37.60	37.60	45.30
Utd Micro Elec	89	87	87.50	90
Utd World Chin	63.50	62.50	62.50	63

Tokyo
Nikkei 225: 18420.88 Previous: 18201.32

	High	Low	Close	Prev.
Ajinomoto	1030	998	1030	1020
All Nippon Air	726	713	723	716
Amway	3430	3380	3410	3340
Asahi Bank	755	739	755	740
Asahi Chem	604	580	604	578
Asahi Glass	965	940	958	936
Bk Tokyo Mitsu	2270	2210	2260	2270
Bk Yokohama	494	481	494	482
Bridgestone	3020	2910	3010	2960
Canon	3650	3490	3640	3620
Chubu Elec	2120	2080	2120	2070
Chugoku Elec	2020	2000	2020	2010
Dai Nipp Print	2590	2510	2580	2490
Daiei	737	714	722	690
Dai-Ichi Kang	1340	1290	1340	1320
Daiwa Bank	547	533	537	520
Daiwa House	1370	1260	1290	1330
Daiwa Sec	735	710	718	720
DDI	6320a	6100a	6250a	6050a
Denso	3060	2910	2990	3050
East Japan Ry	5650a	5550a	5650a	5500a
Eisai	2280	2240	2260	2260
Fanuc	4960	4730	4900	4700
Fuji Bank	1400	1340	1400	1360
Fuji Photo	5000	4880	4970	4950
Fujitsu	1610	1560	1590	1540
Hachijuni Bk	1190	1150	1190	1150
Hitachi	1140	1100	1100	1120
Honda Motor	4460	4340	4380	4280
IBJ	1440	1400	1420	1420
IHI	335	315	320	333
Itochu	456	450	453	452
Ito-Yokado	6420	6160	6390	6140
JAL	471	468	468	469
Japan Tobacco	9500a	9250a	9250a	9270a
Jusco	2880	2770	2810	2680
Kajima	580	550	563	550
Kansai Elec	2200	2150	2200	2160
Kao	1680	1650	1680	1630
Kawasaki Hvy	434	428	433	424
Kawa Steel	243	239	241	239
Kinki Nipp Ry	695	690	694	685
Kirin Brewery	1020	1000	1010	1000
Kobe Steel	160	151	154	160
Komatsu	715	703	705	704
Kubota	464	454	464	464
Kyocera	7960	7850	7920	7850
Kyushu Elec	2100	2070	2080	2080
LTCB	570	548	556	544
Marubeni	415	404	410	399
Marui	2050	1980	1980	2030
Matsu Comm	3810	3620	3810	3600
Matsu Elec Ind	2150	2100	2150	2110
Matsu Elec Wk	1260	1240	1250	1260
Mitsubishi	1090	1060	1080	1070
Mitsubishi Ch	306	290	306	289
Mitsubishi El	502	495	495	497
Mitsubishi Est	1740	1670	1740	1670
Mitsubishi Hvy	660	637	639	650
Mitsubishi Mat	635	627	635	626
Mitsubishi Tr	1890	1810	1890	1810
Mitsui	940	920	930	925
Mitsui Fudosn	1570	1520	1550	1530
Mitsui Trust	598	579	588	595
Murata Mfg	5140	4950	4970	5240
NEC	1450	1420	1440	1410
Nikon	2070	1950	2060	1930
Nikko Sec	530	491	525	486
Nintendo	11500	11300	11500	11400
Nipp Express	753	734	734	751
Nippon Oil	537	509	537	489
Nippon Steel	274	263	272	260
Nissan Motor	757	722	725	734
NKK	181	177	180	181
Nomura Sec	1520	1480	1520	1470
NTT	1140b	1090b	1140b	1080b
NTT Data	5330b	5160b	5330b	5220b
Oji Paper	571	555	571	542
Osaka Gas	304	298	303	280
Ricoh	1840	1760	1800	1770
Rohm	14200	14000	14100	13600
Sakura Bk	613	604	611	608
Sankyo	4190	4090	4160	4020
Sanwa Bank	1540	1450	1530	1450
Sanyo Elec	413	398	403	392
Secom	8100	8000	8070	7900
Seibu Rwy	5100	5010	5050	5000
Sekisui Chem	900	884	887	897
Sekisui House	1160	1130	1160	1170
Seven-Eleven	9200	8950	9200	8940
Sharp	1150	1128	1150	1170
Shikoku El Pwr	2010	1980	1980	2000
Shimizu	587	577	587	584
Shin-etsu Ch	3330	3250	3300	3250
Shiseido	1930	1880	1910	1970
Shizuoka Bk	1300	1260	1300	1250
Softbank	5050	4900	4900	5030
Sony	11500	11000	11500	10900
Sumitomo	922	906	914	905
Sumitomo Bk	1830	1770	1820	1780
Sumit Chem	450	444	449	444
Sumitomo Elec	1780	1720	1770	1780
Sumit Metal	270	257	263	256
Sumit Trust	1250	1210	1220	1190
Taisho Pharm	3190	3060	3180	3050
Takeda Chem	3570	3510	3540	3490
TDK	10700	10200	10700	10100
Tohoku El Pwr	2030	2010	2020	2010
Tokai Bank	980	949	980	954
Tokio Marine	1510	1390	1470	1380
Tokyo El Pwr	2360	2330	2340	2320
Tokyo Electron	7560	7400	7560	7320
Tokyo Gas	294	287	294	282
Tokyu Corp.	611	584	611	584
Tonen	1170	1100	1160	1090
Toppan Print	1710	1600	1690	1610
Toray Ind	737	715	719	689
Toshiba	654	642	653	653
Tostem	1860	1820	1840	1840
Toyo Trust	980	938	980	928
Toyota Motor	3800	3700	3760	3720
Yamanouchi	2920	2870	2910	2890

a: x 100; b: x 1,000

Toronto
TSE Industrials: 7019.56 Previous: 7014.23

	High	Low	Close	Prev.
Abitibi Cons.	24.65	24.20	24.30	24.60
Alberta Energy	33.65	33.20	33¼	33.65
Alcan Alum	49	48.10	48.15	48.65
Anderson Expl	17.20	17	17	17.10
Bk Montreal	59.90	59¼	59.85	59.40
Bk Nova Scotia	65.85	65.15	65.65	65.20
Barrick Gold	31.20	30.40	31.10	30.35
BCE	42.80	42.10	42.35	42¼
BC Telecomm	35.80	35.70	35.70	35.70
Biochem Pharm	43.90	43	43.05	44
Bombardier B	27.95	27.65	27.80	27.90
Cameco	49.85	48¾	49¾	48¾
CIBC	40.90	40.45	40.80	40.45
Cdn Natl Rail	72.40	72	72	72¼
Cdn Nat Res	42.15	41.70	41¼	42.15
Cdn Occid Pet	37.35	36¼	36.85	37¼
Cdn Pacific	42.30	41.90	41.95	42.15
Cominco	32.40	31¾	32.10	32.40
Dofasco	28.40	28.20	28.20	28¼
Domtar	12.10	11.95	12	12.05
Donohue A	33	32.60	32.80	32.90
Du Pont Cda A	34½	34	34.30	34½
EdperBrascan	23.95	22.85	23.90	23.95
Euro-Nev Mng	22.65	22.30	22.60	22.15
Fairfax Finl	393	391	392	393
Falconbridge	25.70	24.90	25	25.40
Fletcher Chall A	23¼	22½	22½	23¼
Franco Nevada	30.35	30	30.10	29.90
Gulf Cda Res	12.35	12	12¼	12.05
Imperial Oil	81.30	80	80.85	80.60
Inco	33.90	32.80	33.05	32.90
IPL Energy	53.90	53.45	53.80	53.40
Laidlaw B	22.30	21.85	21.85	22.10
Loewen Group	38¼	38	38.10	38¼
Macmill Bldl	20.70	20.30	20.35	20.70
Magna Intl A	96¼	92.60	93½	96.20
Methanex	12¼	11.95	12.10	11.70
Moore	28½	27¾	27.80	28.85
Newbridge Net	88¼	86¼	87.30	87.70
Noranda Inc	27	26.35	26.65	27
Norcen Energy	35.35	35	35.10	35½
Nthern Telecom	149.40	145½	146.35	146
Nova	11.55	11.35	11.40	11.35
Onex	35.90	35.80	35.90	35.90
Pancdn Petlm	26½	25¼	25.30	26
Petro Cda	25¼	24.65	24.65	25.20
Placer Dome	22.95	22.35	22.80	22.30
Poco Petlm	13.60	13.30	13.35	13.40
Potash Sask	104½	103.40	104¼	104.10
Renaissance	35½	35.10	35.15	35.45
Rio Algom	30.15	30	30	30.30
Rogers Cantel B	24.80	24¼	24.80	24¼
Seagram Co	50½	49½	49.60	50.05
Shell Cda A	23.35	23.10	23¼	23.35
Suncor	47¼	46	47.15	46
Talisman Eny	47.10	46.45	46.45	46.90
Teck B	25.40	25.20	25.35	25.40
Teleglobe	50½	49.85	50	50¼
Telus	29.60	29.35	29.45	29.60
Thomson	34¼	33.95	34.15	34.05
TorDom Bank	47¼	47.20	47.60	47.30
Transalta	18.30	18.10	18.15	18.20
TransCda Pipe	27.15	27	27.05	27.10
Trimark Finl	80¼	79¼	79¼	81
Trizec Hahn	35.40	34.85	35	35.30
TVX Gold	7.10	6.90	7.10	6.95
Westcoast Eny	28.80	28.40	28¼	28.35
Weston	110	108	110	109

Vienna
ATX index: 1428.21 Previous: 1416.24

	High	Low	Close	Prev.
Boehler-Uddeh	1044	1014	1038	1014
Creditanst Pfd	638	631.50	634.20	638
EA-Generali	3219	3160	3219	3199
EVN	1515	1487	1489	1497.80
Flughafen Wien	526.75	514.40	516.90	523.10
OMV	1849	1790	1849	1843
Oest Elektriz	878	873	875.50	876.50
VA Stahl	604	596.60	603.50	594.20
VA Tech	2690	2625	2660	2640
Wienerberg Bau	2615	2596	2603	2610

Wellington
NZSE-40 index: 2551.22 Previous: 2546.45

	High	Low	Close	Prev.
Air N Zeald B	4.10	4.03	4.03	4.15
Brierly Invt	1.34	1.33	1.33	1.33
Carter Holt ord	3.42	3.35	3.39	3.40
Fletch Ch Bldg	5.00	4.85	5.00	4.88
Fletch Ch Eny	7.12	6.95	6.95	7.14
Fletch Ch Forst	1.98	1.96	1.98	1.98
Fletch Ch Paper	3.16	3.09	3.09	3.17
Lion Nathan	3.84	3.81	3.83	3.81
Telecom NZ	8.07	8.00	8.04	8.12
Wilson Horton	11.60	11.50	11.50	11.60

Zurich
SPI index: 3661.72 Previous: 3655.24

	High	Low	Close	Prev.
ABB B	2208	2164	2169	2200
Adecco B	573	554	554	571
Alusuisse R	1384	1368	1372	1353
Ares-Serono B	2410	2369	2370	2390
Atel R	841	838	838	841
Baer Hdg B	2235	2210	2225	2225
Baloise Hdg R	2095	2075	2092	2089
BK Vision	1200	1170	1200	1161
Ciba Spec Chem	143.50	141.50	142.50	143.50
Clariant R	1197	1177	1187	1189
Crd Suisse Gp R	198.75	194.75	198.50	195.50
Elektrowatt B	537	535	536	535
Ems-Chemie	6915	6865	6900	6905
ESEC Hdg	4000	3950	3996	4000
Holderbank B	1325	1311	1314	1325
Liechtenst LB B	573	573	573	570
Nestle R	2083	2024	2052	2041
Novartis R	2308	2258	2269	2295
Oerlikon Buehr R	186	183.25	184	186
Pargesa Hld B	1930	1880	1920	1890
PharmVisn B	904	886	899	906
Richemont A	2000	1970	2000	1970
Pirelli PC	333	330.50	332	332.50
Roche Hdg PC	13540	13250	13460	13370
SBC R	394	386	389.50	389
Schindler PC	1829	1810	1815	1820
SGS B	2554	2490	2530	2530
SMH B	868	843	852	870
Sulzer R	1081	1060	1080	1070
Swiss Reins R	2235	2191	2195	2195
SAir Group R	1970	1920	1960	1918
UBS B	1667	1645	1664	1652
Winterthur R	1433	1408	1431	1406
Zurich Assur R	629	617	623	621

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	177.23	+1.70	+0.97	+18.83
Regional Indexes				
Asia/Pacific	120.57	+2.52	+2.13	-2.32
Europe	194.11	+2.63	+1.37	+20.42
N. America	208.00	-0.31	-0.15	+28.47
S. America	169.28	+1.62	+0.97	+47.93
Industrial Indexes				
Capital goods	224.82	+0.79	+0.35	+31.54
Consumer goods	195.91	+1.77	+0.91	+21.36
Energy	207.08	+1.31	+0.64	+21.31
Finance	131.34	+1.79	+1.38	+12.78
Miscellaneous	184.90	+0.97	+0.53	+14.29
Raw Materials	187.45	+1.57	+0.84	+6.88
Service	166.95	+2.52	+1.53	+21.58
Utilities	171.64	+1.72	+1.01	+19.84

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

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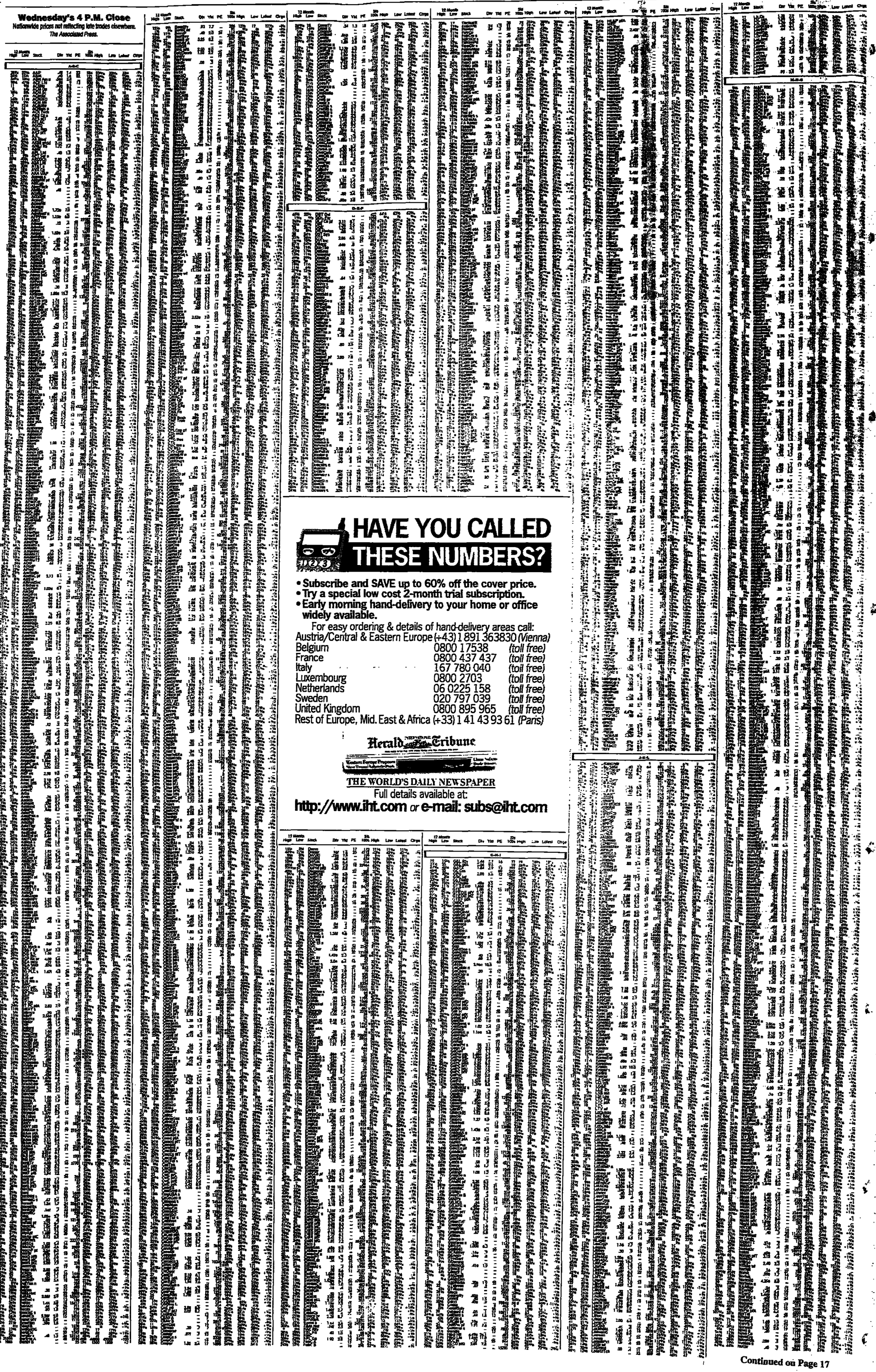
NYSE

Wednesday's 4 P.M. Close
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.



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Continued on Page 17

NASDAQ

Wednesday's 4 P.M.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Wednesday's 4 P.M. Close
(Continued)

Scandal Triggers Shake-Up at Daiwa

Ex-Head Arrested at Yamaichi

Compiled by Our Staff From Dispatches

TOKYO — A widening scandal involving payoffs to a racketeer claimed new members of Japan's business elite Wednesday with the arrest of the former president of Yamaichi Securities Co. and an executive shake-up at Daiwa Securities Co.

Tokyo prosecutors said they had arrested Atsuo Miki, the former Yamaichi president and currently an adviser to the brokerage, for his role in Yamaichi's alleged payoffs to the racketeer at the center of the scandal. Mr. Miki resigned as president last month to take responsibility for the scandal, in which Yamaichi is accused of making illegal payments totaling 79 million yen ($648,000) to Ryuichi Koike.

Mr. Koike is under arrest for his role in a payoff scandal that has ensnared Nomura Securities Co., Japan's biggest brokerage, and Dai-Ichi Kangyo Bank Ltd., a leading commercial bank.

The prosecutor's office said Mr. Miki was suspected of conspiring with five other current and former Yamaichi Securities officials, who are already under arrest, to compensate Mr. Koike for securities-trading losses in violation of Japan's securities law and its Commercial Code.

Also on Wednesday, Daiwa Securities Co., Japan's second-largest brokerage, said its president, chairman and five other top executives would resign at the end of this month.

Daiwa Securities joined the list of big brokerages caught up in the scandal last week, when prosecutors raided its offices on suspicion that it had made illegal payments totaling 67.3 million yen to Mr. Koike.

In a news conference at the Tokyo Stock Exchange, the chairman and the president of Daiwa, Japan's second-largest brokerage, dodged questions about alleged payoffs, citing ongoing investigations.

"We feel responsible for having allowed the situation to develop in this manner," the departing president of Daiwa, Motoo Esaka, said. "But we're leaving the payoff incident to investigators."

The payoff scandal so far has caused resignations at Dai-Ichi Kangyo Bank — the fourth-largest bank in Japan — and three of the country's Big Four brokerages.

Nomura Securities was the first company implicated. Nikko Securities Co. is the only major Japanese brokerage that still has the same top executives it started the year with.

Payoffs to *sokaiya*, racketeers who extort money from companies by threatening to expose dubious business practices or disrupt their shareholders meetings, have been illegal since 1983.

Daiwa is losing its most experienced executives just as it and other Japanese brokerages are preparing for government measures designed to liberalize the country's financial markets.

Daiwa's vice president, Tomoaki Kusuda, will succeed its chairman, Sadakane Doi. Five other executives also stepped down. Daiwa said its managing director, Yoshinari Hara, would succeed Mr. Esaka, who also offered his apology for "destroying trust" in the securities industry.

(Reuters, Bloomberg)

China Calms Jittery Markets Over Listings

Reuters

SHANGHAI — China's stock markets closed higher Wednesday, buoyed by official assurances that the market would not be swamped with new issues from struggling state-owned companies, brokers said.

Commentaries in official newspapers pledged that the Communist Party's latest plan to overhaul state industry would not mean a massive expansion of the stock market in the near term, easing investors' fears that the market might be swamped by a wave of privatizations.

Shanghai's index of A shares, those reserved for domestic investors, surged 6.69 percent, to 1,158.428. In Shenzhen, the A-share index gained 6.64 percent, to 350.78. On Tuesday, Shanghai tumbled 5.70 percent, and Shenzhen fell 7.49 percent.

Agence France-Presse

Indonesia Revs Vehicle Industry

President Suharto inaugurating a domestically produced small-engine motorcycle Wednesday that was designed by 12 engineers at PT Astra International, the maker of the Timor national car. Baptizing the motorcycle the Expressa, an Indonesian acronym for "extra achievement of the nation," Mr. Suharto defended both national vehicles as bringing automotive "independence" to Indonesia. The country is the world's third-largest motorcycle market after China and India and the fifth-largest producer after China, India, Taiwan and Japan. Mr. Suharto said it was not Indonesia's habit to "leave it to other nations" when the country needed something.

Malaysia Sets a Price for Change

Shield From Market 'Excesses' Is Sought Before Liberalization

By Philip Segal
International Herald Tribune

HONG KONG — Malaysia said Wednesday that it would not open its financial sector further unless Western countries put in place new measures to stabilize East Asian financial markets.

The move came as U.S. Treasury Secretary Robert Rubin said the Asian currency crisis had made it less likely that a global agreement on more open financial services would be completed by the Dec. 12 deadline.

Deputy Prime Minister Anwar Ibrahim, who made his threat in an address to the annual meeting of the World Bank and International Monetary Fund here, said he had also delivered his message directly to the director-general of the World Trade Organization, Renato Ruggiero, at a meeting Wednesday.

"If you want us to be more positive on these measures to liberalize," he said, "it should be contingent on their preparedness to introduce mechanisms to protect against abuse, excesses of the system."

Describing planned U.S. discussions with several East Asian nations, Mr. Anwar said the talks would provide "a basis for the establishment of a facility to enhance efforts toward economic and financial stability to support macroeconomic adjustments."

While agreeing to the talks, which have yet to be scheduled, Washington has strongly opposed an independent line of credit within Asia, an idea backed by some countries in the region, fearing that easy money would negate any incentive for countries to carry out necessary economic restructurings.

Referring to regional finance ministers, Mr. Rubin said, "I guess they must feel that opening up their markets to foreign financial institutions will in some way increase, or may increase, their financial sector problems," Bloomberg News reported from Xian, China.

Since the Asian currency crisis erupted July 2 with the decision by Thailand to float the baht, Malaysia has consistently been the East Asian country most critical of currency traders and speculators, blaming them, rather than any economic policy faults, for the region's battered stock and currency markets.

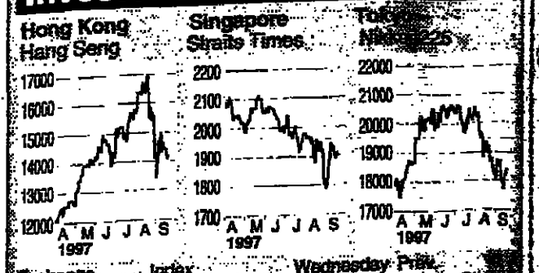
Other Asian officials here took a more low-key approach to the issue of financial-sector liberalization.

"We have not thought of making any link" between such moves and the talks with Washington, Roberto Ocampo, the Philippines' finance minister, said.

He did say, however, that Manila saw no reason to make any concessions on opening its financial industry further. "We have already opened up sufficiently," he said.

Thailand's deputy finance minister, Chavarat Charnvirakul, said he could not comment on whether Bangkok planned to try to link the two issues.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	Chg.
Hong Kong	Hang Seng	14,285.44	14,994.38	-4.73
Singapore	Straits Times	1,906.51	1,916.10	-0.50
Sydney	All Ordinaries	2,768.90	2,776.90	-0.29
Tokyo	Nikkei 225	18,429.68	18,201.32	+1.25
Kuala Lumpur	Composite	779.41	781.20	-0.23
Bangkok	SET	547.02	538.03	+1.67
Seoul	Composite Index	655.75	654.37	+0.21
Taipei	Stock Market Index	8,994.02	9,079.77	-0.94
Manila	PSE	2,877.04	2,048.57	+0.41
Jakarta	Composite Index	553.65	539.48	+2.63
Wellington	NZSE-40	2,551.22	2,566.45	-0.59
Bombay	Sensitive Index	3,825.91	3,822.42	+0.09

Source: Telekurs International Herald Tribune

Very briefly:

- **Taiwan's** central bank reduced commercial banks' reserve requirements to expand liquidity in the money markets but denied that it was trying to spur the stock market.
- **Japanese** department-store and supermarket sales fell for a fifth consecutive month in August, slipping 1.2 percent from a year earlier, in another sign that domestic demand is failing to lift the nation's economy out of its slump.
- **Standard & Poor's Corp.** said high levels of bad loans would continue to weigh on the credit ratings of **Indian** banks and that many of the country's banks were not yet ready for a freely convertible rupee.
- **South Korean** negotiators will offer the United States no concessions on opening its car market in talks set to begin in Washington on Thursday, a trade official said. He said South Korea had lived up to its obligations under a 1995 bilateral agreement to increase car imports.
- **Suzuki Motor Corp.** stepped up its battle with the Indian government, stating that New Delhi had no right to appoint a new chairman of their joint auto venture in India.
- **Britain** and **China** plan to start talks on opening a direct air link between London and Shanghai, British officials said. The idea emerged during talks at the United Nations between Foreign Secretary Robin Cook of Britain and Foreign Minister Qian Qichen of China.
- **Singapore** said it would free land for only 5,000 private residential homes in 1998, less than the 6,000 it has made room for in each of the past several years, to combat expected oversupply in the property market.
- **Indonesian** stocks rose, a day after the government issued details of about $17 billion of infrastructure projects that it planned to delay. The Jakarta Composite Index rose 14.17 points, or 2.63 percent, to 553.65.
- **China's** official media said one-third of all industrial products made in the country, ranging from radios to videocassette recorders and televisions, were in oversupply and that many smaller factories could tumble into bankruptcy.

Bloomberg, Reuters

Sharp's Stock Slips on Forecast of Lower Profit

Compiled by Our Staff From Dispatches

TOKYO — Sharp Corp.'s stock fell 1.7 percent Wednesday after the company confirmed reports that it was likely to post a 22 percent drop in full-year pretax profit, its first decline in five years.

A spokesman cited a 10 percent drop in prices for the company's liquid-crystal display panels and the increase in April of Japan's sales tax to 5 percent from 3 percent.

The Nihon Keizai Shimbun reported that the company would announce a pretax profit of 56 billion yen ($460.1 million) for the year ending March 31, 1998. In May, Sharp forecast a full-year profit of 75 billion yen, but the spokesman said Wednesday that profit would be "very close" to the numbers in the newspaper's report.

Sharp's stock fell 20 yen to close at 1,150.

"We had anticipated much stronger demand for personal computers," the spokesman said. "The sluggish sales are dealing a severe blow to our business." Prices of liquid-crystal displays, once believed to be a motor for growth, slipped on concerns about oversupply. *(Bloomberg, Reuters)*

THAILAND: *IMF's Welcome*

Continued from Page 13

that has had the most widespread effect here so far has been the increase of the value added tax from 7 percent to 10 percent. But there was little protest over the increase, and consumption patterns have so far not significantly changed.

The prices of gasoline, cooking gas and transportation as well as tariffs for electricity and water are all expected to rise soon.

For now, the greatest concern appears to be that the government will undermine efforts by the IMF to revive the economy.

"I am worried that the IMF will not be able to see some of the tricks our politicians use to hide the money," said Montri Chenvidyakarn, president of the training institute of the association of finance companies. "If the IMF does not have enough power, our country will not recover soon."

■ A New Thai Monitor

Thailand said it planned to place 58 troubled finance companies under the supervision of an organization that would be independent of the central bank, which currently oversees all financial institutions in the country, Reuters reported from Bangkok.

Deputy Prime Minister Virabongsa Ramangkura said in a speech to the Foreign Correspondents' Club that the plan would be presented to the Thai cabinet for approval soon. "The Bank of Thailand's supervisory department does not have the experience to handle their problem," he said.

Thailand suspended the operations of 58 of its 91 finance companies after they were found to be debt-ridden or facing liquidity crunches. The future of these companies is being closely watched by the market and the public.

PEUGEOT: *Skids in India*

Continued from Page 13

in the venture and a role in management.

Premier and Peugeot disagreed over whether the Fiat venture violated a no-compete clause in their agreement.

The court issued an injunction Sept. 5 that forced Premier to cancel a meeting at which it was to seek shareholder approval for the Fiat alliance. Premier has appealed the ruling.

Meanwhile, Premier and Peugeot have reopened negotiations over the sale of Premier's stake.

Unlike Peugeot, Fiat is clearly bullish on India. The Uno project is part of Fiat's plan to invest $1 billion in several businesses here over the next five years, and a fully owned Fiat subsidiary is expected to begin manufacturing its Palio model here by late 1999.

"The Fiat group has decided to make India a key element in its worldwide industrial strategy," the company's chief executive, Paolo Cantarella, said during the most recent of his three visits to India.

Peugeot's chairman, Jacques Calvet, has yet to visit the country.

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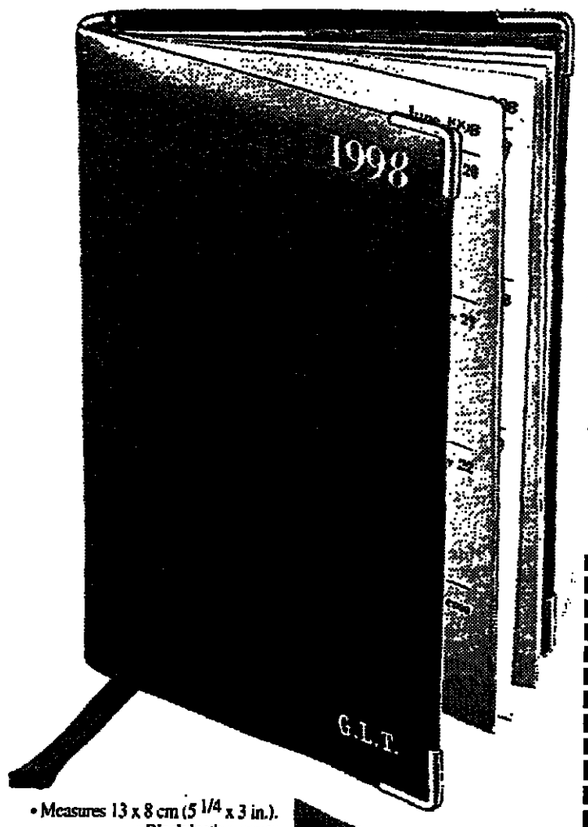

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Notice is hereby given that an Extraordinary General Meeting of shareholders shall be held at the registered office on 16th October, 1997 at 10:00 a.m. for the purpose of considering the following agenda:

1. To resolve on the liquidation of the Fund;
2. To appoint a liquidator.

In order to deliberate validly on the items of the agenda, at least 50% of the shares issued must be represented at the meeting, and a decision in favour of the resolutions must be approved by shareholders holding at least 2/3 of the shares represented at the meeting.

Proxy forms are available at the Fund's registered office.

In order to be valid proxies duly executed by shareholders should be mailed to Banque Internationale à Luxembourg, att: Mrs. Muller, 69, route d'Esch, L-2953 Luxembourg so as to be received the business day preceding the Meeting at 5:00 p.m. at the latest.

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WORLD ROUNDUP

AFP

Boris Becker waving to the crowd after being defeated by Jonas Bjorkman in Munich.

Cash Runneth Over At Munich Cup

TENNIS Patrick Rafter of Australia routed Thomas Muster of Austria on Wednesday in a first-round match at the Compaq Grand Slam Cup in Munich and collected a cool $500,000 for the day.

Top-ranked Pete Sampras did even better — he won a guaranteed $750,000 for his opening round victory at the lucrative tournament.

Sampras broke Felix Mantilla of Spain early in the third set, then took control of a match that he won 6-4, 3-6, 6-2. Rafter, the U.S. Open champion, hammered Muster on the fast indoor surface in less than an hour, 6-2, 6-3.

Rafter won at least $250,000 for reaching the second round at the $6 million event, plus picked up a bonus of $250,000 given to a Grand Slam winner for entering.

Sampras was given $500,000 after winning Wimbledon and the Australian Open, along with the $250,000 awarded each player for reaching the tournament's second round. The Swedish Davis Cup hero, Jonas Bjorkman, ousted the defending champion, Boris Becker, 6-3, 6-2, in what may have been the German star's last major tournament. *(AP)*

• Martina Hingis, the world's top-ranked woman player, struggled Wednesday to beat Marion Maruska of Austria in straight sets at the $450,000 Leipzig Open.

The Swiss teenager converted her first match point in 79 minutes against Maruska to win 6-3, 7-5, and reach the quarterfinals.

But Hingis, who regularly routs her opponents, couldn't gain a decisive break in the second set against a player ranked 53rd in the world until she went up 6-5.

Anke Huber of Germany, looking to win the title for the third straight year, beat Silvia Farina of Italy in her first-round match. The fifth seed won 6-4, 6-2 in 63 minutes. *(AP)*

Van Bon of Netherlands Takes Stage in Vuelta

CYCLING Leon Van Bon of the Netherlands emerged from a seven-man sprint on Wednesday to claim the 18th stage of the Tour of Spain, his first victory in this Spanish cycling race.

Van Bon, a member of the Rabobank team, used a final burst of speed in the final meters to overtake Laurent Brochard of France and Stefano Colage of Italy, who placed second and third respectively.

Van Bon completed the 185 kilometer (114 mile) stage from Burgos to Valladolid in 3 hours, 52 minutes, 30 seconds.

Alex Zulle of the ONCE team maintained his two minute, 46 second lead over Fernando Escartin.

The Tour of Spain, which concludes on Sept. 28 in Madrid, continues Thursday with a mountainous stage of 184 kilometers from Valladolid to Los Angeles de San Rafael. *(AP)*

Ballesteros Readies His Troops for Battle

European Captain Seeks an Edge

By Ian Thomsen
International Herald Tribune

SOTOGRANDE, Spain — The members of the American Ryder Cup team haven't been practicing the 17th hole at Valderrama so much as they've been trying to make sense of it.

There is a thick, distracting strip of rough, growing like weeds in the middle of the fairway 290 yards from the tee. "What you should want to see is people going for the green in two," said Tiger Woods.

Tom Lehman said: "I never like a par-5 where you hit driver, sand wedge, sand wedge."

Mark O'Meara thought he'd outwitted it with a 2-iron second shot, only to see his approach funnel back from the

THE RYDER CUP

green and down the shaved bank and into a pond of the kind you'd find at Disney World. "I don't agree with it," O'Meara said of the layout.

Here is the crucial question of the Ryder Cup, which tees off on Friday: Can Seve Ballesteros, the European captain, inspire his team to victory without hitting a shot?

Golf has never had a meaningful coach working the sidelines. But the 17th hole is providing the first clues of how Ballesteros might yet have his way. The water, the slippery bank, the weeds that have to be growing there for a reason — though the Americans can't figure out why. These are Ballesteros's creations.

Four years ago he spent a reported $1 million redesigning the 17th into a haunted-house amalgamation of the famous 13th and 15th holes at Augusta National in Georgia. If Jack Nicklaus can design golf courses requiring the long drives and high wedges that he loves to play, then Ballesteros surely can build a single hole from his own imagination.

It is the same approach that helped Ballesteros win his first British Open 18 years ago, with a shot from a parking lot, and four years later to convert a 247-yard 3-wood from a steep bunker to halve his singles match in the Ryder Cup. "The finest shot I've ever seen," said Nicklaus, who was U.S. captain that year.

The truth of the 17th is that Woods can drive over the rough if necessary, and lesser men can reach the green in two even from the rough. Faldo did so with a wood on Tuesday.

But Ballesteros wasn't telling the Americans so. Instead, he was saying, "I designed the 17th hole and I know how it should be played strategically. When my players are playing the 17th, I will use my experience and I can tell them the way it should be played, which will have some influence in favor of the Europeans."

If Europe wins, Ballesteros will become his sport's first Knute Rockne. That will mean nothing to Ballesteros (if you're reading, Seve, Rockne was the first great American football coach), especially since his greatest joy has come from clobbering Americans in the Ryder Cup.

The United States had lost once in 50 years before Ballesteros took over; Europe has since held the cup four times in the last six matches. The Americans, in turn, have accused Ballesteros of gamesmanship, of coughing unnecessarily, of working on his putting stroke on the outskirts of their peripheral vision, of falsely accusing his opponents of breaking the rules, and so forth. In these ways, he would seem to be the opposite of Tom Kite, the uncharismatic American captain.

Yet the two seemed to find something in common 12 years ago when Kite was 3 holes up with 5 to play in their only Ryder Cup singles match against each other.

"For some reason, Tom Kite, who I guess was their No. 1 player at that time, had it in for Seve," Ballesteros's American caddy at the time, Nick de Paul, told Norman Dabell in his book "How We Won the Ryder Cup."

De Paul continued: "I think there was bad blood somewhere and Kite had said he wanted Seve. I don't know what went on between him and Kite, but Seve has that way of rasping peoples' personalities."

Ballesteros recovered to halve the match in Europe's breakthrough victory, its first since 1957. Kite, now 47, remains undefeated in seven Ryder Cup singles matches, having won five of them. He tied two. His last tournament victory came last October in Spain, where Ballesteros finished third.

But despite such evidence of his own tenacity, the sense of Kite being the lesser of the two captains came through when he was asked Wednesday about concerns that Ballesteros might turn into a "13th player" for Europe. "No, I'm not concerned at all," Kite said curtly.

The role might be familiar to Kite, who grew up in Texas as the technocratic rival to the dashing Ben Crenshaw. The U.S. player Jeff Maggert said of Kite: "The kind of golfer he is, that's the kind of captain he's going to be. He's collected all the local weather reports from the last 300 days or something, analyzing the wind speed and the wind directions and all that."

This week, the European team is banking on their captain making use of his own special insights.

"He always was going to be good," Colin Montgomerie, the top European player, said of Ballesteros on Wednesday. "His intensity in trying to beat Americans is second to none and it's showing. It's fabulous. He's just being himself."

The Americans shouldn't take it personally. The fact is that Ballesteros is more famous in America and Britain than he is in his home country. As Faldo said, "He was our Arnold Palmer." Indeed, Ballesteros even swings uncannily like Palmer now, with that twirl at the top of his follow-through to spare his injured back.

Ballesteros was the most universally accessible golfer of his generation, a fighter. But golf is elitist in this part of the world, and so Ballesteros is not a hero of the common man in Spain.

This must bother him tremendously. The other night he slept only four hours, he said; he was up all night making notes. Ballesteros has made his name from exploiting the slightest opportunity. He will do whatever he can within the rules to disrupt his guests. And, to make his own players believe in him.

Gerry Penny/Agence France-Presse

Seve Ballesteros taking Prince Andrew of Britain on a golf-cart ride at Valderrama on Wednesday.

NBA Seems Ready for a First: Women Referees

By Amy Shipley
Washington Post Service

With the retirement of one NBA referee this summer and the forced resignations of three — and possibly four — others for pleading guilty to falsifying income-tax returns, high-caliber referees ready to handle the pressures of professional basketball suddenly are in great demand.

Hoping to step into the vacancies and make a little history along the way are Dee Kantner and Violet Palmer, who last year became the first women to officiate preseason games in the NBA. Each is scheduled to work preseason games again this fall, and at least one — if not both — seems certain to be invited to join the all-male club of regular-season referees.

"If I were to give my recommendation today," Darell Garretson, the league's chief of officiating staff, said recently, "Violet Palmer and Dee Kantner certainly would be recommended to be hired." Before the start of the regular season in late October, Garretson will make recommendations about staff additions to the association's vice president of basketball operations, Rod Thorn.

No woman has ever officiated a regular-season game in the four major U.S. professional sports leagues — the NBA, the National Football League, the National Hockey League or Major League Baseball.

"It appears we have at least four openings. I certainly wouldn't be surprised if any of those two end up making it," Mr. Thorn said of Kantner and Palmer.

"We don't have to make exceptions for them. They are just good."

At the league meetings in Orlando, Florida, last weekend, Thorn disclosed that each team had been ordered to set up a separate locker room for female officials. Thorn is not required to fill all of the referee job vacancies.

Kantner, 37, and Palmer, 33, have been in the NBA's informal referee-training program for three years. Neither sought out the NBA — each was discovered officiating at the women's NCAA Division I level. Each has attended three consecutive NBA summer camps attended by rookie and free-agent players and directed by Garretson.

The league has found many of its referees working NCAA Division I men's games, but neither men's college basketball nor any other league is considered an adequate training ground for the NBA.

The experience of Kantner and Palmer in the NBA summer camps eased their transition into the NBA preseason last year. Each worked two games.

"Because we worked the summer NBA program, the only people who were extremely surprised to see us were the fans," Palmer said. "Most of the players had seen us in the summer camps, and they pretty much knew who we were."

Kantner remembers being extremely nervous. Both said they had been "tested" by NBA players, who had challenged them to stand behind their calls.

But their reception among players and coaches, Kantner and Palmer agreed, has been largely positive. The most negative comment last year came from Michael Jordan of the Chicago Bulls, who said after a preseason game that Kantner was "too slow" and "got in the way." Jordan, however, and three teammates had been seen extending their legs on the sideline as if to trip Kantner as she made her way down the court.

In 1988, the NBA increased its staffing from two to three referees a game and hired an additional 25 referees over a two-year period, raising its total roster to around 55 or 60 in any given year — there were 58 last season.

Kantner, the supervisor of officials for the Women's National Basketball Association season this summer, and Palmer, an official in the WNBA, are considered the top female referees in women's college basketball and have officiated countless Final Four and conference championship games between them. Neither has officiated at the NCAA Division I men's level, which has never employed a woman as referee.

"I was real skeptical," Palmer said of her recruitment in 1995, "but the money they spent to train me let me know they were serious."

Palmer's and Kantner's demeanor on the court made it clear they were serious, too. At the NBA level, each has been tough but has kept a sense of humor.

Kantner said: "They're going to test anytime you put a new official in an arena. The players and coaches will see if they can get a little edge. I definitely anticipated that gender was going to raise that a little bit higher."

Palmer said: "I think if you talk to any player, they will tell you they couldn't care less whether a male or female is making the calls — as long as they are getting it right." She added: "Being a woman has got nothing to do with it. They just care that you get out there and take the pressure and do the job."

Angry Slaney Gives Track Officials an Ultimatum

The Associated Press

EUGENE, Oregon — If the people who run USA Track and Field thought Mary Slaney would be satisfied simply to have her name cleared, they couldn't have been more wrong.

Believing that she is the victim of a major injustice because she was suspended for alleged use of performance-enhancing drugs before she had a chance to defend herself, Slaney has issued an ultimatum.

She is demanding that USA Track and Field, the governing body in the sport in the United States, change its rules for testosterone testing in women. She wants to be compensated for the track season that was taken away from her. And she wants it all done in the next month.

"After that, if I have to, I'll go into litigation and I'll take no prisoners," she said.

Slaney, 39, would not say how much money she would seek, but her husband, Richard, said it would be well into six figures, perhaps much more. Since she is the most successful women's distance runner in U.S. history, her lost income and the potential damage done to her reputation carry a considerable value, he said.

Slaney also is asking for telephone records of the five members of the track and field federation's drug custodial board in an attempt to discover who leaked the fact that she tested positive for excessive testosterone.

She said she wants whoever leaked her name to the media to be "absolutely banned from the sport."

"That's what they tried to do to me," she said.

The leak led to her suspension from competition even though she was not granted a hearing to answer charges. Under regulations, athletes who test positive for banned substances are not supposed to be identified publicly before a hearing by a USA Track and Field doping panel.

When that hearing was held Sept. 13-14 in Chicago, the three-member panel unanimously agreed that she was innocent. She kept her outrage to herself for a week before letting go at an emotional news conference Tuesday on the infield of Hayward Field, her home track.

"It's taken me this long to be able to stand here and talk about this without crying," she said. "Last Tuesday, I cried for six hours after the whole thing was basically over."

Slaney contended that a number of factors — including the natural aging process, menstruation and the taking of birth control pills — make the unbending international standard for testosterone readings in women athletes illogical.

She tested positive for a high testosterone ratio at last year's U.S. Olympic Trials. Since then, she said, USA Track and Field investigators showed up at her house five times this year for random drug tests, and she passed each time.

After Slaney's test result was leaked to the press, the International Amateur Athletic Federation suspended her, saying that USA Track and Field took too long to resolve the case. USA Track and Field followed suit, banning her from running just before the U.S. championships. That ended her hopes for qualifying for the world championships.

"That is something they can never give back to me," she said.

The IAAF has not lifted its suspension but might do so at a meeting in late November.

"I can run in this country and that's what I truly love to do the most," she said. "I've always said if I never go back to Europe to race, it wouldn't bother me."

A USA Track and Field spokesman, Pete Cava, said that the federation had no comment on Slaney's demands.

Her voice cracked when she talked about the toll it took on her as the case dragged on for more than a year.

"This is the most horrible experience I've ever been through," she said. "It's far more difficult than what happened in '84," when she tumbled to the infield in the women's 3,000 meters at the Los Angeles Olympics when, as Mary Decker, her feet became tangled with Zola Budd's.

"For the first time ever in my life," she said, "I'd come out on the track and I couldn't work out. I just didn't have it in me. I hope that something that hasn't been taken from me is the passion and the love of the sport."

Albert Trial Full of Lurid Testimony

The Associated Press

ARLINGTON, Virginia — The woman who accused the U.S. sportscaster Marv Albert of a vicious sexual attack went to an emergency room with 18 to 20 bite marks on her back, three of which broke the skin, an emergency-room nurse testified Wednesday.

Jonathan Gold said the 42-year-old woman was "tearful, and at other times she seemed angry" when she came to National Hospital last Feb. 12, shortly after Albert allegedly assaulted her in a hotel near the Pentagon.

The woman claims that during a sexual encounter in Albert's room at the Ritz-Carlton Hotel, he angrily flung her onto the bed, severely bit her back and forced her to perform oral sex.

Under cross-examination, Gold said he took swabs only from bites that had broken the skin on her back. DNA on the swabs was used as evidence to link Albert to the bites.

Also on Wednesday, the first of several DNA and forensics experts took the stand for the prosecution, which was expected to rest its case by the end of the day.

In court on Tuesday, the woman was portrayed by defense attorneys as a lying schemer willing to bribe a friend to back up her story.

The woman had arrived in court smiling, but her demeanor changed during cross-examination by defense attorney Roy Black.

After she denied coaching anyone into giving prosecutors damaging information against Albert, Black introduced a recording of a telephone conversation between her and a potential witness, made two months after Albert was indicted.

On the recording, the woman and a cab-driver friend of hers, Walter Brody, are heard discussing what he would tell a prosecutor, Barbara Walker, about Albert, including an apparent reference to three-way sex.

"What do you want me to tell her?" Brody asks.

"Tell her what we talked about, that when you drove him, he asked you that he wanted to get a boy," the woman answers, speaking of Albert. The conversation ends with Brody saying he expected $50,000 and a new car.

Black implied that the woman was offering money she would be awarded in a lawsuit against Albert. Why or how the tape was made was unclear, though the woman confirmed that it was her voice.

Earlier, the woman said she met Albert in 1986 when she was a Miami hotel switchboard operator and that he had complimented her Latin accent.

She said there were "gentle" trysts in hotel rooms in cities where he was covering games and that later, when their sex life turned kinkier, he requested and she arranged threesomes with other women and men.

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~Memorable Moments from Johnnie Walker: RYDER CUP with Bernard Gallacher

1983 - BALLESTEROS BRINGS OUT THE BEST IN PAUL WAY.
Written with R. Simmons. Designed & Illustrated by Dave F Smith © International Herald Tribune / Professional Sports Partnerships Ltd.

SPORTS

Despite the Doubts, Ripken Won't Sit Out

By Buster Olney
New York Times Service

BALTIMORE — Cal Ripken hits a pop-up, tosses his bat aside in disgust and moves stiffly toward first base. His back hurts. His batting average is plummeting. When he is playing the infield, ground balls that Orioles fans have seen him reach every day for more than 15 years are rolling past his outstretched glove.

Ripken, 37, has played in 2,473 consecutive games, broken Lou Gehrig's seemingly unbreakable record and become an icon to baseball fans across the nation. But his nagging back trouble and his slump have stirred a question that has dominated airwaves and headlines here, with ripples felt throughout the game: Should Ripken rest?

Even Ripken admits that he has been playing anywhere from 65 percent to 85 percent of his usual ability over the last six weeks, a shortcoming that would force any other player to the bench for at least one game.

Privately, club officials have wondered whether Ripken would better serve the team by ending his streak, and in theory, the Oriole Manager, Davey Johnson, has the power to bench Ripken. But his record is so extraordinary, his approach so single-minded and his work ethic so appealing for this blue-collar city that the ultimate decision belongs to Ripken.

Johnson is uncomfortable with the perception that he could not unilaterally bench Ripken, but the manager is as candid as he is realistic when asked whether he could do so without Ripken's approval. "No, I couldn't," Johnson said.

Complicating the situation, Ripken is batting just .153 over his last 25 games. The Orioles have already clinched a post-season berth and will most likely finish the regular season with several games meaningless to the standings. But there are no plans for Ripken to rest on those days, essentially because Ripken refuses to rest.

"You want to be in the lineup more than ever," he said last week. "You should. That's what you play for. You have a responsibility to finish what you started."

Anyone who has worked tirelessly and dependably for the same employer for so many years could understand Ripken's perspective. Frank Robinson, the Hall of Fame slugger who managed Ripken for four years, said: "Whether it should be that way or not, it is what this has come to. And in a way, you owe that to him. He's been there, every day, and he has earned this."

Ripken, who declined to be interviewed for this article, has a salary of $6.2 million this season.

Those in the organization who believe he should sit down — and nobody wants to be quoted saying as much — offer logic. What difference does it make if Ripken sits, now that the record is all his? Why should the stature of one player even have a chance of interfering with the team's chances of winning a championship?

Johnson, for his part, cannot fathom how the streak will end. He pondered this inevitability for a moment, and said, "Well, one day Cal will come to me and say, 'Davey, maybe I need...' "

Johnson paused and smiled. Then, with the dramatic effect in place, he continued. " 'I need to retire, because I'm 65 years old.' "

Seattle Gets A Record And a Title

Indians Also Clinch, Edging Yanks in 9th

The Associated Press

Jay Buhner hit a record-setting home run but Ken Griffey Jr. didn't get his 56th as the Seattle Mariners won their second division championship.

All that is left for the Mariners now is to watch Griffey chase Roger Maris's record for a few more days and get ready to face the Baltimore Orioles in the playoffs.

On Tuesday night, Seattle wrapped up the AL West with a 4-3 victory over Anaheim before 52,884 fans at home. With four games left, Griffey is expected to stay in the lineup, however, because he still has a slight chance to tie or break Maris's home-run record of 61 for a 162-game season. "If he wants to stay in, we'll let him," the Seattle manager, Lou Piniella, said of Griffey.

Randy Johnson (19-4) was able to beat the Angels for the second time this season because of Buhner, whose towering three-run shot in the first inning was his 40th and the Mariners' 258th of the season, a major-league record. Baltimore hit 257 last season.

Indians 10, Yankees 9 Cleveland clinched its third straight AL Central title, overcoming a seven-run deficit in a dramatic victory over the Yankees.

David Justice hit a solo homer off Hideki Irabu to key a two-run eighth as the host Indians pulled to 9-8, then tied it with an RBI single off Jeff Nelson (3-7) in the ninth. Sandy Alomar, who had a two-run homer and an RBI single earlier, then singled to center to score Matt Williams, who had walked.

AL Roundup

Twins 5, White Sox 3 Brent Brede hit a two-run homer off Jason Bere (4-2), breaking a 3-3 tie in the fifth. Frank Thomas hit a three-run homer for the host White Sox and kept his league-leading batting average at .352.

Orioles 3, Blue Jays 2 Roberto Alomar went 2-for-5, scored a run and drove in one as visiting Baltimore, seeking its first AL East title in 14 years, lowered its magic number to one.

Brewers 7, Royals 4; Royals 6, Brewers 2 Darrin Jackson's seventh-inning squeeze bunt scored the go-ahead run in the opener of the doubleheader, but host Milwaukee was eliminated when Cleveland rallied to beat New York.

Jim Pittsley (5-8) pitched five innings for the victory in the second game. Joel Adamson (5-3) was the loser.

Tigers 6, Red Sox 0 In Detroit, Bobby Higginson drove in two runs and the Tigers (79-78) moved over .500 for the first time since April 16, 1996.

Rangers 14, Athletics 6 Lee Stevens hit two home runs and Juan Gonzalez and Alex Diaz added three-run shots as visiting Texas ended a four-game losing streak. Oakland's Jason Giambi hit a three-run home run in the fifth inning.

Dan Levine/Agence France-Presse

The Mariners' catcher, Dan Wilson, celebrating the final out in the victory over the Angels that gave Seattle the AL West divisional crown.

Marlins Drub Expos to Gain Playoff Berth

The Associated Press

The Florida Marlins clinched their first playoff berth ever with a 6-3 victory over the Montreal Expos.

The Marlins, who entered the league as an expansion team in 1993 and spent nearly $90 million on free agents during the past offseason, will enter the post-season as the NL's wild card entrant.

Kevin Brown (16-8) won his seventh straight decision on Tuesday night in Montreal and set a Marlins record for strikeouts in a season. Charles Johnson's two-out RBI single brought in the go-ahead run in the fifth for Florida.

NL Roundup

Reds 8, Cardinals 6 In St. Louis, Mark McGwire remained stuck on 54 home runs for the fourth game, getting a pair of singles in a losing cause. Scott Sullivan (4-3) allowed one hit in two innings to get the victory for Cincinnati.

Braves 6, Phillies 0 In Philadelphia, Kevin Millwood allowed two hits in eight shutout innings and Andruw Jones and Michael Tucker hit back-to-back homers.

Pirates 5, Mets 4 Shawon Dunston hit a tiebreaking single in the seventh to lift visiting Pittsburgh.

Astros 5, Cubs 3 Craig Biggio and Jeff Bagwell homered as host Houston moved closer to its first division title since 1986. The Astros remained 3½ games ahead of second-place Pittsburgh in the NL Central.

Rockies 7, Giants 6 In Denver, Andres Galarraga increased his league-leading RBI total to 137 with a three-run homer as Colorado stalled San Francisco in the NL West.

Dodgers 6, Padres 2 Los Angeles picked up a game in the NL West as Todd Zeile homered twice and the host Dodgers snapped a five-game losing streak.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
x-Baltimore	95	62	.605	—
y-New York	91	66	.580	4
Detroit	79	78	.503	16
Boston	76	81	.484	19
Toronto	72	85	.459	23
CENTRAL DIVISION				
x-Cleveland	84	71	.542	—
Chicago	77	79	.494	7½
Milwaukee	76	80	.487	8½
Kansas City	65	91	.417	19½
Minnesota	65	91	.417	19½
WEST DIVISION				
x-Seattle	85	69	.563	—
y-Anaheim	82	75	.522	6½
Texas	73	84	.465	15½
Oakland	63	95	.399	26

x-won division title; y-won postseason berth

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
x-Atlanta	99	58	.631	—
w-Florida	91	66	.580	8
New York	85	73	.538	14½
Montreal	76	81	.484	23
Philadelphia	64	93	.408	35
CENTRAL DIVISION				
Houston	81	76	.516	—
Pittsburgh	78	80	.494	3½
Cincinnati	72	85	.459	9
St. Louis	71	86	.452	10
Chicago	66	91	.420	15
WEST DIVISION				
San Francisco	87	71	.551	—
Los Angeles	85	72	.541	1½
Colorado	82	75	.522	4½
San Diego	74	84	.468	13

w-won wild card; x-won division title

TUESDAY'S LINESCORES

AMERICAN LEAGUE

Texas 401 013 230—14 20 1
Oakland 001 030 002—6 11 1
Burkett, Bailes (9) and I. Rodriguez, K.L.Brown (9); Telgheder, C.Reyes (4), Kubinski (5), Witasick (6), Wengert (8), Lorraine (9) and Mayne. W—Burkett, 8-12. L—Telgheder, 4-6. HRs—T. Ju.Gonzalez (40), L. Stevens 2 (18), Diaz (1). O. Giambi (20).

Kansas City 011 020 000—4 8 0
Milwaukee 101 002 30x—7 10 2
Rosado, Carrasco (6), J. Walker (7), Olson (8) and Macfarlane; Karl, A. Reyes (7), De.Jones (9) and Matheny. W—A. Reyes 1-1. L—Carrasco 1-6. Sv—De.Jones (35).

Second Game

Kansas City 001 128 200—6 9 0
Milwaukee 000 200 000—2 7 1
Pittsley, Bones (6), Whisenant (8), Pichardo (9) and Mi.Sweeney; Adamson, A. Reyes (5), Villone (6) and Levis. W—Pittsley 5-8. L—Adamson 5-3. HR—K.C., J. King (25).

Boston 000 000 000—0 7 2
Detroit 001 030 00x—4 11 1
Suppan, D. Lowe (5), Checa (8) and Hatteberg; Keagle, Alicea (6), Gaillard (8) and Wallbeck. W—Keagle 3-4. L—Suppan 7-3.

Baltimore 210 000 000—3 9 0
Toronto 000 002 000—2 3 1
N.Rodriguez, Rhodes (6), A. Benitez (8), Ro.Myers (9) and Holles, Webster (8); Clemens, Quantrill (9), Plesac (9) and O'Brien. W—N. Rodriguez 2-1. L—Clemens 21-7. Sv—Ro.Myers (44).

New York 002 022 000—9 13 1
Cleveland 020 004 022—10 12 1
Kn.Rogers, Jrabe (7), Stanton (8), Nelson (9) and Girardi, Posada (6); Nagy, Weathers (6), Shuey (7), Morman (8), Mesa (9) and S.Alomar. W—Mesa 4-4. L—Nelson 3-7. HRs—N.Y., T. Martinez (44). C., Justice (32). S. Alomar (19), T. Fernandez (10).

Minnesota 300 020 000—5 5 2
Chicago 003 000 000—3 5 0
Tewksbury, Swindell (7), Trombley (8), Aguilera (9) and Steinbach; Bere, N. Cruz (6), McElroy (8) and Fabregas, Machado (8). W—Tewksbury 7-13. L—Bere 4-2. Sv—Aguilera (25). HRs—Minnesota, Brede (3). Chicago, F. Thomas (34).

Anaheim 100 001 010—3 9 1
Seattle 400 000 00x—4 7 0
Watson, P. Harris (7), Holtz (7), James (8) and Kreuter; Ro.Johnson, Slocumb (9) and Da.Wilson. W—Ro.Johnson 19-4. L—Watson 12-11. Sv—Slocumb (27). HRs—Anaheim, Edmonds 2 (26), DiSarcina (4). Seattle, Buhner (40).

NATIONAL LEAGUE

Atlanta 001 012 020—6 11 0
Philadelphia 000 000 000—0 2 0
Millwood, Clontz (9) and Edd.Perez; M.Leiter, Winston (8), Ryan (9) and Lieberthal. W—Millwood 5-3. L—M. Leiter 10-17. HRs—A. A.Jones (18), Tucker (13).

Chicago 101 010 000—3 6 2
Houston 100 112 00x—5 11 0
Trachsel, Bottenfield (6), R. Myers (8) and Servais; Kile, B.Wagner (9) and Eusebio. W—Kile 19-7. L—Trachsel 8-12. Sv—B. Wagner (22). HRs—Chicago, Alexander (3). Houston, Biggio (22), Bagwell (43).

Florida 100 020 002—6 11 0
Montreal 111 000 000—3 9 3
K.J.Brown, Cook (7), Powell (8), Nen (9) and C. Johnson; Hermanson, Paniagua (5), Thurman (7), Kline (8), Telford (8) and Fletcher, Chavez (9). W—K. J.Brown 16-8. L—Hermanson 8-7. Sv—Nen (35). HRs—F. Conine (17). M.. R. White (27).

Pittsburgh 000 002 200—6 7 0
New York 200 010 010—4 4 0
F.Cordova, Silva (6), Christiansen (8), Loiselle (8) and Kendall; Isringhausen, Lidle (6), McMichael (8) and Pratt. W—Silva 2-1. L—Lidle 7-2. Sv—Loiselle (28). HR—New York, Olerud (20).

Cincinnati 002 010 041—8 13 0
St. Louis 000 041 010—6 8 1
Mercker, Sullivan (6), Belinda (8), G. White (8), Shaw (8) and J.Oliver, Taubensee (8); Raggio, Frascatore (4), Bautista (6), Painter (6), C. King (8), Fossas (8), Petkovsek (9) and Morrera, Lampkin (9). W—Sullivan 4-3. L—C. King 4-7. Sv—Shaw (41). HRs—Cincinnati, Stynes (6). St. Louis, Gant (17), D. Young (5).

San Francisco 011 100 003—6 13 0
Colorado 010 130 02x—7 14 1
D.Darwin, Tavarez (6), Mutholland (7), C. Bailey (8) and B.Johnson; Thomson, Holmes (5), DeJean (7), Dipoto (9), Leskanic (9) and Je.Reed. W—Holmes 9-2. L—D. Darwin 1-3. Sv—Leskanic (2). HRs—San Francisco, Bonds (39). Colorado, Galarraga (41).

San Diego 020 000 000—2 7 1
Los Angeles 110 011 02x—6 12 0
Menhart, Ti.Worrell (7) and Flaherty; Park and Piazza. W—Park 14-8. L—Menhart 2-2. HRs—San Diego, Flaherty (9). Los Angeles, Karros (29), Zeile 2 (29).

American League Leaders

	G	AB	R	H	Avg.
FThomas ChW	141	512	108	180	.352
Justice Cle	134	480	82	160	.333
Ramirez Cle	146	545	96	180	.330
EMartinez Sea	155	542	104	179	.330
Greer Tex	152	582	106	189	.325
BeWilliams NYY	126	498	104	162	.325
ONeill NYY	145	541	87	174	.322
Jefferson Bos	131	471	72	150	.318
MVaughn Bos	136	508	88	161	.317
IRodriguez Tex	146	578	93	182	.315

RUNS—Griffey Jr, Seattle, 122; Garciaparra, Boston, 119; Knoblauch, Minnesota, 115; Jeter, New York, 114; B. LHunter, Detroit, 111; F. Thomas, Chicago, 108; Greer, Texas, 106.

RBI—Griffey Jr, Seattle, 145; T. Martinez, New York, 141; J. uGonzalez, Texas, 126; Salmon, Anaheim, 124; F. Thomas, Chicago, 124; ToClark, Det., 116; O. ONeill, New Y., 115.

HITS—Garciaparra, Boston, 201; Greer, Texas, 189; Jeter, New York, 184; G. Anderson, Anaheim, 182; I. Rodriguez, Texas, 182; Griffey Jr, Seattle, 181; Ramirez, Cleveland, 180; F. Thomas, Chicago, 180.

DOUBLES—JhValentin, Boston, 47; Cirillo, Milwaukee, 44; Belle, Chicago, 44; O. ONeill, New York, 42; Garciaparra, Boston, 40; A. Rodriguez, Seattle, 40; Greer, Texas, 40; Cora, Seattle, 40.

TRIPLES—Garciaparra, Boston, 11; Knoblauch, Minnesota, 10; Damon, Kansas City, 8; Bumitz, Milwaukee, 8; Stewart, Toronto, 7; Jeter, New York, 7; B. LHunter, Detroit, 7; Alicea, Anaheim, 7; B. yAnderson, Baltimore, 7.

HOME RUNS—Griffey Jr, Seattle, 55; T. Martinez, New York, 44; Thome, Cleveland, 40; JoGonzalez, Texas, 40; Buhner, Seattle, 40; R. Palmeiro, Baltimore, 37; F. Thomas, Chicago, 34; McGwire, Oakland, 34.

STOLEN BASES—B. LHunter, Detroit, 72; Knoblauch, Minnesota, 59; T. Goodwin, Texas, 47; Nixon, Toronto, 47; Vizquel, Cleveland, 43; Durham, Chicago, 33; A. Rodriguez, Seattle, 29.

PITCHING (18 Decisions)—RoJohnson, Seattle, 19-4, .826, 2.30; Moyer, Seattle, 17-4, .810, 3.68; Clemens, Toronto, 21-7, .750, 2.04; Pettitte, New York, 18-7, .720, 2.86; Hershiser, Cleveland, 14-6, .700, 4.52; Erickson, Baltimore, 16-7, .696, 3.71; Blair, Detroit, 16-7, .696, 3.97.

STRIKEOUTS—RoJohnson, Seattle, 288; Clemens, Toronto, 284; Cone, New York, 220; Mussina, Baltimore, 211; Appier, Kansas City, 197; Fassero, Seattle, 186; Radke, Minnesota, 171.

SAVES—RoMyers, Baltimore, 44; M. Rivera, New York, 43; DeJones, Milwaukee, 35; ToJones, Detroit, 31; Wetteland, Texas, 30; Percival, Anaheim, 27; Slocumb, Seattle, 27; R. Hernandez, Chicago, 27.

National League Leaders

	G	AB	R	H	Avg.
Gwynn SD	147	585	96	218	.373
LWalker Col	151	561	141	206	.367
Piazza LA	147	534	99	191	.358
Lofton Atl	118	485	88	162	.334
Joyner SD	131	445	58	148	.333
MaGrace ChC	147	540	85	175	.324
Alfonzo NYM	147	512	83	163	.318
Galarraga Col	150	586	120	186	.317
Bichette Col	146	544	77	169	.311
Blauser Atl	148	513	90	159	.310

RUNS—Biggio, Houston, 143; L. Walker, Colorado, 141; Galarraga, Colorado, 120; Bonds, San Francisco, 118; Bagwell, Houston, 106; E. cYoung, Los Angeles, 102; ChJones, Atlanta, 100.

RBI—Galarraga, Colorado, 137; Bagwell, Houston, 132; L. Walker, Colorado, 128; Sosa, Chicago, 119; Gwynn, San Diego, 118; Piazza, Los Angeles, 116; Kent, San Francisco, 116.

HITS—Gwynn, San Diego, 218; L. Walker, Colorado, 206; Piazza, Los Angeles, 191; Biggio, Houston, 188; Galarraga, Colorado, 186; Mondesi, Los Angeles, 185; Castilla, Colorado, 181.

DOUBLES—Grudzielanek, Montreal, 54; Gwynn, San Diego, 49; Lansing, Montreal, 45; L. Walker, Colorado, 45; Mondesi, Los Angeles, 41; ChJones, Atlanta, 40; Clayton, St. Louis, 39; Morandini, Philadelphia, 39.

TRIPLES—DeShields, St. Louis, 13; W. Guerrero, Los Angeles, 9; Ronda, Pittsburgh, 9; Womack, Pittsburgh, 9; N. Perez, Colorado, 8; E. cYoung, Los Angeles, 8; Biggio, Houston, 8; L. Johnson, Chicago, 8; Daulton, Florida, 8.

HOME RUNS—L. Walker, Colorado, 48; Bagwell, Houston, 43; Galarraga, Colorado, 41; Castilla, Colorado, 40; Bonds, San Francisco, 39; Piazza, Los Angeles, 37; Sosa, Chicago, 36.

STOLEN BASES—Womack, Pittsburgh, 57; D. Sanders, Cincinnati, 56; D. eShields, St. Louis, 49; EcYoung, Los Angeles, 45; Biggio, Houston, 45; Bonds, San Francisco, 35; Q. Veras, San Diego, 33.

PITCHING (18 Decisions)—Neagle, Atlanta, 20-4, .833, 2.84; G. Maddux, Atlanta, 19-4, .826, 2.20; Estes, San Francisco, 18-5, .783, 3.25; Kile, Houston, 19-7, .731, 2.57; Rueter, San Francisco, 13-6, .684, 3.45; P. JMartinez, Montreal, 17-8, .680, 1.92; Glavine, Atlanta, 14-7, .667, 3.01; K. JBrown, Florida, 16-8, .667, 2.69.

STRIKEOUTS—Schilling, Philadelphia, 313; P. JMartinez, Montreal, 296; Smoltz, Atlanta, 233; Nomo, Los Angeles, 227; Kile, Houston, 205; K. JBrown, Florida, 205; A. Fernandez, Florida, 178.

SAVES—Shaw, Cincinnati, 41; Beck, San Francisco, 37; Hoffman, San Diego, 36; JoFranco, New Y., 36; Eckersley, St. Louis, 36; Non, Florida, 35; ToWorrell, L.A., 35.

Japanese Leagues

WEDNESDAY'S RESULTS

CENTRAL LEAGUE

Hiroshima 5, Yakult 1
Chunichi 2, Yokohama 0
Hanshin 3, Yomiuri 2

PACIFIC LEAGUE

Seibu 2, Kintetsu 1
Daiei 5, Orix 0
Nippon Ham 5, Lotte 2

CYCLING

Tour of Spain

Leading placings in 183.7-km 18th stage from Burgos to Valladolid, on Wednesday:
1. L. van Bon, Neth., Rabobank 3 h 52 m 30s.
2. Laurent Brochard, France, Lotus
3. Stefano Colage, Italy, Refin
4. Mariano Piccoli, Italy, Brescialat
5. Claudio Chiappucci, Italy, Asics
6. Jose-V. Garcia Acosta, Sp., Banesto
7. Vyacheslav Ekimov, Russia, U.S. Postal
8. Igor Goldeano, Sp., Euskaltel all s.t.
9. Sergei Ouslomine, Russia, Refin at 37 s.
10. Dario Pieri, Italy, Scrigno 4:25

OVERALL—1. Alex Zuelle, Swit., ONCE 77 h. 4 m. 59 s.; 2. Fernando Escartin, Sp., Kelme at 2:46; 3. Laurent Dufaux, Swit., Lotus 3:39; 4. Enrico Zaina, It., Asics 5:07; 5. Roberto Heras, Sp., Kelme 6:17; 6. Marcos Serrano, Sp., Kelme 7:10; 7. Daniel Clavero, Sp., Estepona 7:29; 8. Laurent Jalabert, Fr., ONCE 9:51; 9. Gianni Faresin, It., Mapei 11:10; 10. Yvon Ledanois, France, GAN 11:22.

SOCCER

ENGLISH PREMIER LEAGUE

Bolton 1, Tottenham 1
Wimbledon 4, Barnsley 1

DUTCH FIRST DIVISION

PSV Eindhoven 3, Fortuna Sittard 2

FRIENDLY INTERNATIONAL

Poland 2, Lithuania 0

TENNIS

GRAND SLAM CUP
IN MUNICH, GERMANY
FIRST ROUND
TUESDAY'S RESULTS

Cedric Pioline (6), France, def. Filip DeWulf, Belgium, 7-6 (7-4), 2-2, withdrew.
Yevgeny Kafelnikov, Russia, def. Sergi Bruguera (5), Spain, 6-4, 6-3.
Marcelo Rios (7), Chile, def. Mark Woodforde, Australia, 6-7 (7-2), 6-3, 6-1.
Greg Rusedski (4), Britain, def. Todd Woodbridge, Australia, 4-6, 6-1, 7-5.

WEDNESDAY'S RESULTS

Patrick Rafter (2), Australia, def. Thomas Muster, Austria, 6-2, 6-3.
Jonas Bjoerkman (8), Sweden, def. Boris Becker, Germany, 6-3, 6-2.
Petr Korda, Czech Republic, def. Gustavo Kuerten (3), Argentina 6-3, 5-3, withdrew.
Pete Sampras (1), United States, def. Felix Mantilla, Spain, 6-4, 3-6, 6-2.

TRANSITIONS

FOOTBALL
NATIONAL FOOTBALL LEAGUE

CHICAGO—Placed RB Rashaan Salaam on injured reserve. Signed WR Eric Smith from practice squad.
JACKSONVILLE—Placed DT John Jurkovic on injured reserve. Released CB Bucky Brooks. QB Jim Miller. Signed OL Todd Fordham, DB Ricky Parker from practice squad.
MINNESOTA—Signed NT Jerry Ball and K Eddie Murray.
PHILADELPHIA—Signed WR Justin Armour.
SAN DIEGO—Waived RB Erric Pegram.

HOCKEY
NATIONAL HOCKEY LEAGUE

MONTREAL—Sent G Jose Theodore, F Matt Higgens and D Brad Brown to Fredericton, AHL. Returned C Jason Ward to Erie, OHL.
PITTSBURGH—Signed RW Alexei Morozov.
ST. LOUIS—Sent D Rory Fitzpatrick, RW Chris Kenady, C Robert Petrovicky and D Terry Virtue to Worcester, AHL.

COLLEGE

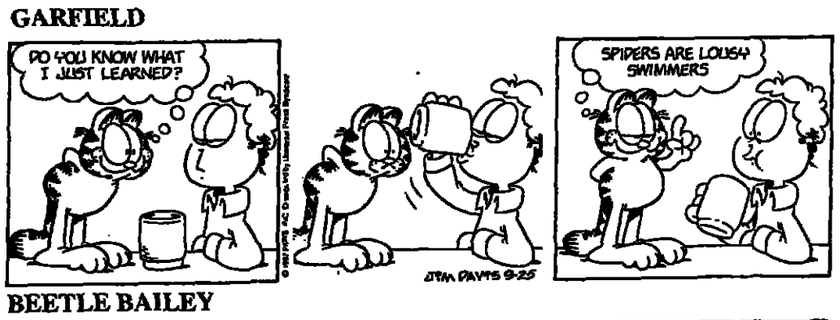
GEORGIA SOUTHERN—Announced DT Brian Wilson has transferred from Navy and will be eligible to play immediately.
PITTSBURGH—Announced WR Andy Molinaro has been reinstated after serving 3-game suspension for violating team rules.
TENNESSEE STATE—Signed L.C. Cole, football coach, to 3-year contract extension through 2001 season.
VANDERBILT—Announced LB Darweshi Miles has left the football team.

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

GARFIELD



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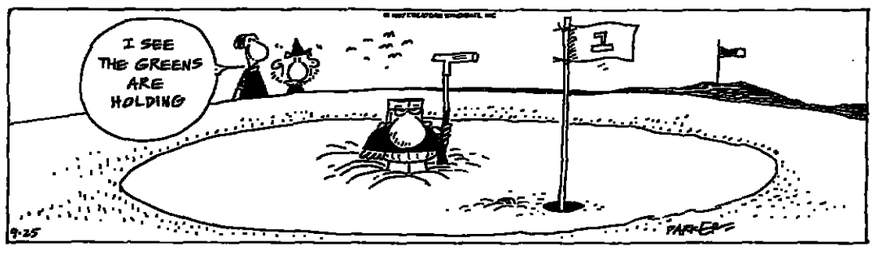

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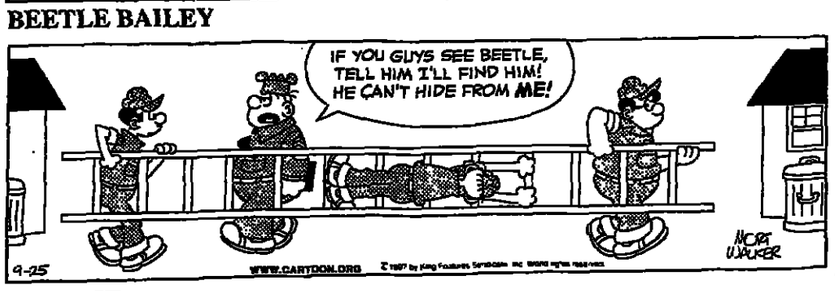

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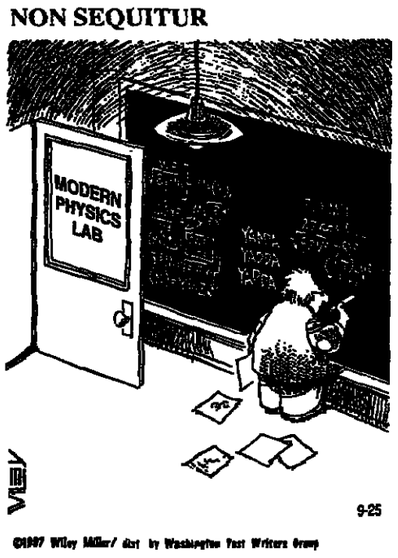

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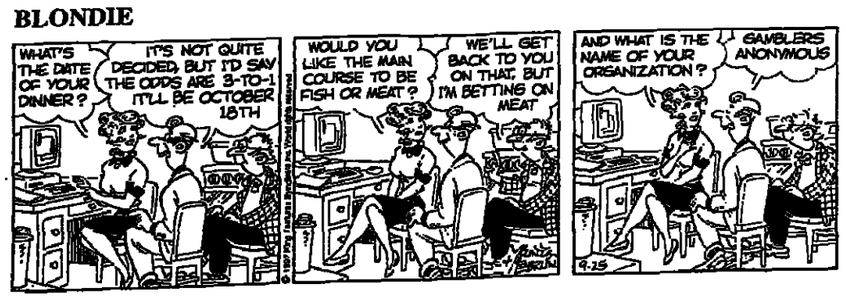
BLONDIE



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BOAVE
ETHAL
HADEBE
LATHEC

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: HE (Answers tomorrow)

Yesterday's Jumbles: AMUSE GREEK REFUGE FASTEN
Answer: Tough for a garbage man to do — REFUSE REFUSE

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ART BUCHWALD

Creative Lawmaking

WASHINGTON — Although the tobacco industry is putting up a valiant effort, occasionally it loses one. Somehow, no one knows exactly how, it managed to slip into our tax-cut legislation a $50 billion tax break for tobacco producers.

Buchwald

The tax break was squirreled in to a bill to underwrite health care for children. It was offered at the last moment so that there would be no debate and discussion. To this day no one knows who introduced the bill.

This is one theory of how it wound up there:

Four plumbers wearing ski masks — two from the tobacco industry and two senators from Southern states — broke into the Budget Committee hearing room with the bill to give the tobacco people a tax break.

One of the men took the health-care-for-children bill and tacked the tobacco interest law on the end of it. "That should do it. No one will be able to find this with all the garbage that the budget bill is full of."

A masked senator said nervously, "Suppose someone finds it and they vote to repeal it?"

"You are worrying for no reason. No one is going to discover a tobacco tax break in a bill this large."

The other masked senator said, "I always like to sneak in a bill when no one is looking. I once got the Senate to approve an Air Force base in my home state when they were voting on a bill to eliminate scarlet fever."

□

One of the tobacco industry plumbers said, "I can't get our tobacco bill to stick to the budget bill."

"Did you try Scotch tape?"

"Yes, and even Elmer's glue. Senator, you are going to have to introduce an amendment to this bill guaranteeing a windfall for the people who make cigarettes."

"I would be honored." He raised his hand over the bill and said, "I hereby propose a $50 billion tax-relief amendment for anything that has nicotine in it."

The other senator said, "I second the motion."

All four plumbers said, "Aye."

The bill was rolled up and put on the Senate majority leader's desk where it rested until someone came across the wording and raised Hades.

An anti-smoking senator voiced his objection and demanded a repeal of the tax break.

It was agreed to 95 to 3.

The four plumbers met that evening to drown their sorrow but were cheered up by a tobacco lobbyist who said, "There is always tomorrow night."

Artists-in-Exile Show To Open in Berlin

Agence France-Presse

BERLIN — Works of art by 130 European artists, created during their exile between the rise and fall of Nazism, will be shown in Berlin beginning Oct. 10.

"Exile: Flight and Emigration of European Artists 1933-1945" at the Neue National Galerie includes works by Max Beckmann, Marc Chagall, Salvador Dali and Max Ernst, among others.

If It Barks Like a Dog, It May Be the Cat Family

By Lucille Craft

TOKYO — Fujiko Okada is the portrait of a well-bred Japanese woman. Her old-fashioned hairstyle and makeup are immaculate. She has mastered the painstaking business of donning a silk kimono. Years of rigorous dance training enable her to move with balletic timing and grace.

And, boy, can she bark.

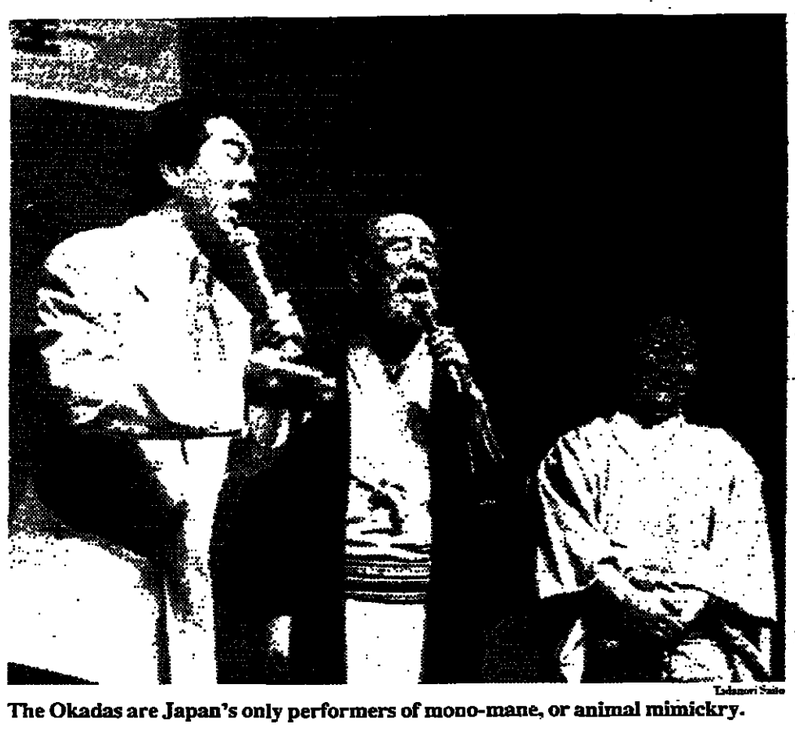
Seated demurely on a purple cushion at center stage, she suddenly tilts her elegantly coiffed head back, narrows mascara-lined eyes into the squint of a nervous terrier, and lets rip:

"Yip! Bow-wow-wow-wow! OW-WOW-WOU-OOOOOOOO!!"

The audience murmurs appreciatively, and Okada braces for more barnyard humor. She coos like a pigeon, flaps her fan and crows like a rooster, and, inserting a pinky into mouth, trills like a nightingale. *(Her beauty tip: nonsmudge makeup.)* Monologue completed, she bows deeply, rustles daintily through a geisha-style dance, and disappears into the wings.

"When I first got started in this business, I was furious with my dad. Why on earth is he making me do this?" says Okada, 29. "But after three years, I started to enjoy making people laugh."

It's not every father who takes pride in his daughter barking at strangers. But then, not every dad is Rokkuro Okada, better known by his stage name Edo-ya Neko Hachi (Cat Eight of the House of Edo). Along with his son, Ko-Neko (Little Cat), and Fujiko, a.k.a. Maneki Neko, or Beckoning Cat, the family occupies a unique niche in the centuries-old tradition of Japanese storytelling. They are the country's only performers of *mono-mane*, or animal mimickry.


Tadanori Saito

The Okadas are Japan's only performers of mono-mane, or animal mimickry.

Storytellers have roamed Japan since at least medieval times, but it wasn't until the end of the 1800s that the term *rakugo* (literally, "dropped word," or "punchline") emerged as a term for humorous monologues. Because it is performed to live audiences with no scenery or props except a fan, Japanese vaudevillians resemble Western-style standup comedians, skewering everything from a visit to the doctor, to political correctness, to whatever was on the evening news. Neko Hachi, with his honeyed, sometimes heart-rending delivery, often evokes Garrison Keillor, of the popular U.S. public radio program "A Prairie Home Companion." Just as Keillor's blend of nostalgia, homilies and gentle wit echo Middle America, so too does Neko Hachi weave a feel-good cocoon around his audiences, reconfirming everyone's Japaneseness. Wearing a brown kimono emblazoned with his laughing-cat trademark, he occasionally sprawls comfortably on the purple stage cushion as if in his own living room. The misadventures of his father, Shinkichi — the original Neko Hachi — provide much of the material for his monologues.

Neko Hachi's genius is an ability to move adroitly from pathos to humor, such as when he re-creates the day his beloved father died, when the boy was 11.

His success was a long time coming. As in the United States, Japan's early broadcasters — at a loss for programming — turned to traditional stage actors to fill air time. And virtually overnight, Neko Hachi was a star, his round avuncular face turning up in everything from TV comedies to movies like Juzo Itami's "The Funeral," to serious drama, the country showering him with affection and awards. It would have been enough, but Neko Hachi, after a 10-year hiatus, decided it was time to go home. While continuing to appear on stage and screen, he officially rejoined the world of vaudeville.

"I make people laugh. I make them cry, and make them feel moved. And I do animal sounds," summed up the 76-year-old actor.

The Suehiro Theater in Shinjuku hardly seems like a place for a good laugh. On weekdays, it can be downright funereal, with a handful of customers sprinkled around the shabby 150-seat theater. One weekday around tax time, a giant poster exhorting viewers to pay up on time decorated the left wall; to the rear, a cleaning lady noisily tore up cartons, indifferent to the acoustically magnified sound of ripping cardboard. On weekends and holidays the theater is teeming, but on many days business is slow. In the mid-19th century there were 172 mixed-bill vaudeville houses in Tokyo; today Suehiro is one of four. Suehiro's manager wrinkles his brow in worry, but the performers are sanguine about the future.

"We don't play theaters for the money," says Ko-Neko. He, like other vaudeville performers, earn their living at parties and other offstage venues, and subsidize the theaters by accepting token fees, in the belief that live performances are the best place for veterans to hone their timing and for young entertainers to get their start.

There are an estimated 800 vaudeville performers in Japan today, about half based in the capital. While the theaters are hardly flush with cash, there is no shortage of new blood, with high school graduates as well as former salarimen clamoring to apprentice.

Maneki Neko, who spent much of her childhood in the wings at her father's performances, is at ease in this world, though female performers are so rare in vaudeville they must share the same cramped, tatami-matted dressing rooms with the men. (Men frequently impersonate female characters in their monologues, but audiences are said to be intolerant of role reversal by women.) Her father's stature affords her instant name recognition — like having Barrymore or Fonda as a surname — though she never received any formal training but was expected to pick up the skills by osmosis.

She has yet to acquire the formidable arsenal of animal calls her father and brother possess, but has staked out her own territory, making jokes about her zaftig physique, her trouble finding a man and Japan's new obsession with TV mail-order shopping.

"Entertainers," Ko-Neko says, "are a mirror of society. While his father's tales of hardship overcome resonate most deeply with older Japanese who helped Japan rebuild and recover after the war, and his sister speaks to a society of consumers run amok, Ko-Neko, 48, addresses still a different audience, one seeking refuge from the stress and speed of the technological jungle.

"Even though there are hardly any farmers in Japan today, people are hungering for a natural, simpler life," he said. "I can feel it." With his chirping beetles and melodic birdcalls, "I help them get back to their roots."

Lucille Craft is a Tokyo-based journalist.

JAZZ

Sarah Lazarus: Taking Success Seriously in Paris

By Mike Zwerin
International Herald Tribune

PARIS — Sarah Lazarus was in trouble. Even jazz musicians take the month of August off in Paris, and the deadline for filing her application for the Thelonious Monk Institute Jazz Vocal Competition was only 10 days away.

The competition was important to her even though she had decided to apply at the last minute. She figured that finding a rhythm section to record a demo tape in August (it was 1994) in Paris was worthy of an award all its own.

After Fedexing the tape and the written application to institute headquarters in Washington, she forgot all about it. She was surprised to be chosen one of 11 semi-finalists.

She stayed with her sister in the suburbs rather than in the hotel with the other candidates, thus missing the balm of bonding. She was jet-lagged, but maybe she was just too numb to be scared. The audition room was small. She could almost reach out and touch the panel of judges, which was stellar — Dianne Reeves, Cleo Laine, Jon Hendricks, Shirley Horn, Abbey Lincoln and Jimmy Scott. It was an elite affair, closed to the public. Her lucid interpretation of standards and her good instincts saw her through. One of three finalists, she finally won.

Christian Rose

Singer Lazarus: Still no record album.

Winning a Monk Institute award may not mean a *lot of money ($10,000, it has since doubled), but it* has launched successful careers (Joshua Redman, for one). Several record companies asked her if she'd be interested in a contract. She said yes. Then they asked if she'd be willing to move from Paris to New York. She said no. And that was the end of that.

The money and the power are in New York and Los Angeles. Reputations are made there, decisions are made there. Your name does not readily come to mind at poll time when you live in Paris. Parisian triumphs are somehow less triumphant in New York.

When people ask her why she wouldn't move, she replies with a smile and without doubt: "I was happy living in Paris."

Lazarus learned the tenor saxophone in high school in Wilmington, Delaware. She'd played the Montreux Jazz Festival with a student band. Her hands were too small for the tenor sax, her fingers kept getting jammed in the low B-flat key. She figured she'd better stick to singing.

With a teaching career in mind, she graduated from Harvard with a bachelor of arts degree in English literature. She had elected to join the Harvard jazz program, and later the Harvard jazz band (Redman also attended Harvard).

After graduating in 1984, Lazarus came to Paris. Ten years later, she was "very much established here. I'd lost contact with daily life in America. I had become this strange hybrid; no longer American and not quite French."

Ten years abroad is a sort of point of no return. It is too early to feel stuck and too late to be temporary. She was certainly not ready to make such a major decision right then. She had been unprepared for winning. There were no post-prize plans. Off-balance, hesitating, she worried about her hesitation.

Lazarus is married to the French musician Eric Breton. They had a young son (there are two young sons now). Happy to be living a happy family life in Paris and to be making a living doing what she *wanted to do, she had all the work she could handle* (she likes to teach). Her rhythm section was one of the best in town. Life as a two-income family was going smoothly.

Bringing up young children is easier in Paris than New York. The French appreciate children. The nursery school and kindergarten systems work well, as does the state medical insurance system. Although she's not running away from America, every time she starts to consider going back something seems to happen to make her decide to stay.

New York still scared her. She did not know many people there. She had neither an agent nor a manager nor the desire to look for one. She wondered whether being a white singer would be a handicap in America — she had heard stories. Anyway, what was the hurry?

The problem is there might well be a hurry. The American entertainment business is built on youth and speed. Although lip-service is paid to "family values," "follow the money" is more like it. Americans say "go for it," which means right now. Ageism is a major prejudice.

Americans who are happy living in Europe are generally not the type who "go for it" at the first opportunity. Or they wouldn't be here in the first place. Maturity still counts for something. In the back of their minds, though, sooner or later they want to "make it" in America.

Bluesman Luther Allison, who lived in Paris for many years, could not bear to be forgotten in his native Chicago. He thrived in Europe, but he did not want to return unless he could "ride over on a hit record," as he put it. He was left off lists of living blues heroes. There were important blues *festivals he was not invited to. He died of cancer in* July, a bitter man, before he'd had a chance to take advantage of just being named "Bluesman of the year."

Lazarus is billed as "the American singer in Paris." As a singer it is more "authentic" being an American here. The American jazz community is more communal in Europe. Americans in residence tend to stress what they have in common. There are fewer divisions between races, generations, sexes and styles. Of course McDonaldism marches on, but as it has been said: "There's only an inch of difference between Paris and New York but it's the inch I live in."

She has still not released a record album. She has no press book yet. She knows there must be people *eager to record her, but she hasn't really worked* very hard to find them.

"I'm just letting time help me as much as possible," she said. "And it has helped. But maybe now it's time for me to take success more seriously."

PEOPLE

GRAY-HAIRED men as old as **Keith Richards** sang, a woman holding a boy younger than **Mick Jagger's** 5-year-old granddaughter danced and teenage girls shrieked and gyrated. Must mean the **Rolling Stones** are back on tour. "Da Bulls, da Bears, and now da Stones," Jagger screamed at the crowd at Soldier Field in Chicago, kicking off the group's first tour in three years. "We have very good memories of Chicago, where we started off with blues sessions in clubs," the singer told the 50,000 fans, who heard vintage hits as well as songs from the band's soon-to-be-released 39th album, "Bridges to Babylon." Jagger, belying his 54 years, strutted and danced his way through number after number as the multigenerational crowd ignored the chilly winds off Lake Michigan and danced and sang along. "I get a lot of letters from 12-, 13-, 14-year-old kids who know the new stuff," Richards said before the show. "That makes an old picker's heart feel good. We've kept our original generation, and the one in between, and there's another one coming up."

Jeff Haynes/Agence France-Presse

No generation gap for Keith Richards.

□

Steven Spielberg missed the premiere of his new studio's first feature film in Los Angeles when he was slightly injured in an auto accident on the way to the theater, the police said Wednesday. The limousine carrying the director collided with a car as Spielberg headed to the premiere of "The Peacemaker." Spielberg, whose Dreamworks SKG studio produced the film, was treated for a shoulder sprain at a hospital and released. A passenger in the second car had minor scrapes.

□

About 75 photographers refused to take pictures of French ministers emerging from a cabinet meeting Wednesday, to protest an investigation of their colleagues in connection with the car crash in which **Diana, Princess of Wales,** died. The photographers laid down their cameras and press cards in the Elysee Palace courtyard and stood silently in two lines as ministers filed out of the session one by one. A judge is investigating whether nine photographers and a photo agency motorcyclist contributed to the accident by chasing the car and whether they took pictures afterward rather than alert emergency services *and try to help the victims.*

□

The hills around Sarajevo that once echoed to the rumble of artillery reverberated to the singing of tens of thousands of people at a concert by the Irish rock group **U2.** When lead singer **Bono** lost his voice early in the concert the crowd of 50,000 went wild, helping him along. "I'm so bewildered that they didn't throw rocks at me when I couldn't sing for them," he said. "It was one of the toughest and one of the sweetest nights of my life, that's for sure." U2 was the first major rock group to play in Bosnia since the war ended in 1995.

□

Ray Charles turned 67 this week and he's not even thinking about retirement. "What would I retire to? Music is my life," he said. "When the good Lord wants me to retire, he will take care of that." He doesn't seem to be slowing down. Charles and his 16-piece orchestra are on their 37th world tour.

□

Robert Redford's film "The Horse Whisperer," hampered by script and casting delays, is back on track for a December release. After nearly four months of production in southern Montana, the production crew has *wrapped up filming. The movie, based on* **Nicholas Evans's** 1995 best-selling novel, stars Redford as a trainer working with an injured horse. The film features **Dianne Wiest, Sam Neill** and **Kristin Scott Thomas.** Redford also directed and co-produced the film.

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